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**It's all about people**

Date: 27 July 2016

## **Making Bioenergy Work for People and Nature**

### **The Community Model**

#### Introduction

CPL

Consultancy work for RSPB, English Nature and Somerset Wildlife Trust

Experience with Community Ownership Models

Thank you Sally

Aim to achieve three things before lunch:

- Consider Why one would want to use a community model?
- Then How?
- Then review two local examples





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## Why use a Community Model – The Benefits?

Three primary factors: Engagement; Control and Funding

PR and marketing through public engagement

Local democratic process empowering people through public engagement

By Control I mean business driven by local interests to serve local objectives

Direct funding from interested individuals

Funding as venture capital – from individuals; though also; typically a community owned enterprise is more likely to attract grants

Funding as development finance – cut out the middle man – lower cost for the enterprise, more control for the enterprise, better return for the investor (that might be financial, or in kind, or through profiting in a related enterprise)

Sometimes (though perhaps not today) an investor can also benefit from favourable tax breaks





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## How to structure the Enterprise?

Work back from the objectives of the enterprise and so ask

1. How is the enterprise best controlled? – democratic community ownership might be relatively expensive and not suitable
2. Is the venture too risky for individual investors?
3. Are the objectives better met with a larger or smaller number of member/investors?

Then

4. Is the enterprise one that suits community ownership?

And if it is

5. What set of rules to adopt?
6. Is this an enterprise that would be classified as a co-operative; a community benefit society, a community interest company or a charity?





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### Some notes on the different structures...

The co-operative and cbs act 2014 replace the Industrial and Provident legal form with two new legal forms – a ‘co-operative society’ and a ‘community benefit society’

Co-operative societies are formed primarily to benefit their own members, who will participate in the primary business of the society. That is not the case in a CBS where the business must be run primarily for the benefit of people who are not members of the society, and must also be in the interests of the community at large. Refer to appendix.

CICs are normal companies either limited by guarantee or by shares, but with unique and important additional features that safeguard their social mission. CIC has to carry out activities that fulfill a community purpose that is defined in the application. Very broad range of purposes meet the ‘community interest test’. A CIC also has an asset lock. Directors can be paid a salary and that might suit many social entrepreneurs. A basic rule of charity law is that charities must in most circumstances have voluntary boards.

Charities are more heavily regulated, but charities have tax breaks not enjoyed by the other forms.





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## Examples

RBB – amenity facility in building saved from demolition

Bought for £1 after concerted protest by local teenagers.

Opened in 2013.

Handful of dedicated volunteers doing a great deal of work and every now and again all their friends mucking in. 100s involved.

Over £1m raised. Set up as CBS.

Fantastic video on their website

WCPC community owned solar park

Developed by CPL through parallel development concept.

Began generating in 2013

Also raised over £1m

Dedicated volunteer board, but community support mostly financial rather than in kind.

Set up as a co-operative under the old rules; and if today would be a CBS.





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## Summary

So one might use a community model for purposes of engagement, local control and or funding

And we have considered very briefly how one might then achieve that end.

Thank you

Questions?

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