MAYOR OF LONDONLONDON ASSEMBLY

London Community Energy Fund 2025–26 Prospectus

Key information

Publication type: Funding prospectus

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1. Foreword

Rising energy bills are putting real pressure on some of our most valued community assets across the city – from schools and places of worship to community centres that so many Londoners rely on. Community energy is central to our mission to build a fairer, greener London. It puts power directly in the hands of Londoners, and is helping to cut costs, create jobs, and strengthen resilience in ways that uplift our communities.

Community energy has a vital role to play in tackling both the climate emergency and the cost-of-living crisis. It's about more than clean power – it's about people coming together to take control of their energy, reduce costs, and build resilience in their neighbourhoods. It's about creating skills, jobs, and opportunities, and ensuring that the transition to net zero is fair and benefits every community.

Since we launched the London Community Energy Fund in 2017, it has supported nearly 200 projects across the capital – from installing solar panels on schools and community centres, to delivering low-carbon heating and insulation, to building the foundations of London's growing community energy movement. These projects are already saving money and showcasing the power of communities leading change.

This new phase of the Fund has been shaped by the voices of the sector. Following the launch of the Community Energy Taskforce and the priorities set out by community groups, we are doubling the funding available compared with the previous round. We are also strengthening the sector's capacity by increasing core grant support – helping community energy groups not only to deliver projects, but also to grow and thrive.

The Mayor and I are proud to support this next chapter of community energy in London – backing ambitious, community-led projects that will help tackle the climate emergency head on, while making our city a fairer, greener and more affordable place for every Londoner.

- By Mete Coban MBE, Deputy Mayor of London for Environment and Energy

2. Introduction and background

The Mayor wants London to become a carbon net-zero city by 2030. For this to happen, London will need to be supplied by a range of efficient and clean-energy sources.

Community energy groups play a key role in moving closer to this target. Therefore, the Mayor has committed to providing much-needed support in the form of his London Community Energy Fund (LCEF). This helps provide vital funding to get community energy projects up and running faster, particularly in communities that might otherwise struggle to fund such projects.

Now entering an eighth phase, the LCEF supports the Mayor's commitment to reduce carbon emissions for non-residential buildings in a way that is inclusive of all Londoners.

Community energy projects raise awareness of broader benefits that community energy can bring - such as improving energy security; tackling fuel poverty, strengthening community resilience; and promoting local ownership of clean power. These projects also raise local awareness of energy and climate change issues. All these reasons are important to every Londoner - but especially our youngest generation, our future climate leaders.

Schools play an important role in this journey. By installing renewable energy systems such as solar photovoltaics (PV), schools can cut their energy bills; reduce carbon emissions; and create opportunities for students to learn first-hand about sustainability. This not only makes schools more resilient; it also empowers children and young people to understand the challenges of the climate crisis, and to be part of the solutions.

Community energy groups have become experts in putting in place decentralised sustainable energy systems, and enabling energy-saving projects in their communities. Examples include installing solar PV on GP surgeries and schools; and energy-efficient lighting upgrades in social housing blocks. This is often financed via local community members purchasing shares. Some groups have also focused on promoting energy efficiency and tackling fuel poverty - be it through a community benefit fund or delivering retrofit measures that will reduce energy demand.

Up to £630,000 is available in grant funding through this phase of the LCEF to build on the achievements of community energy groups. This fund will support projects that:

- reduce greenhouse gas emissions in London
- lead to collective action to reduce, manage and generate energy
- promote community-led development and delivery of energy projects that provide direct benefit to the local community
- · increase community awareness and action on clean energy
- increase the resilience of communities vulnerable to the impacts of climate change and high energy costs.

2.1 The purpose of this fund

The LCEF aims to increase the number of community energy projects and the positive impact they bring for Londoners. It will support projects that save carbon; increase the amount of renewable energy generation in London; reduce energy demand; and help with the green recovery.

The first phase of the fund launched in October 2017. Since then, seven phases have been undertaken to support both project development and delivery of measures. To date the fund has offered funding to support 192 community energy projects across 28 boroughs and the City of London. The majority of projects are enabling solar PV, alongside energy-efficiency retrofit. This has led to the installation of over 3.7 MW of solar capacity

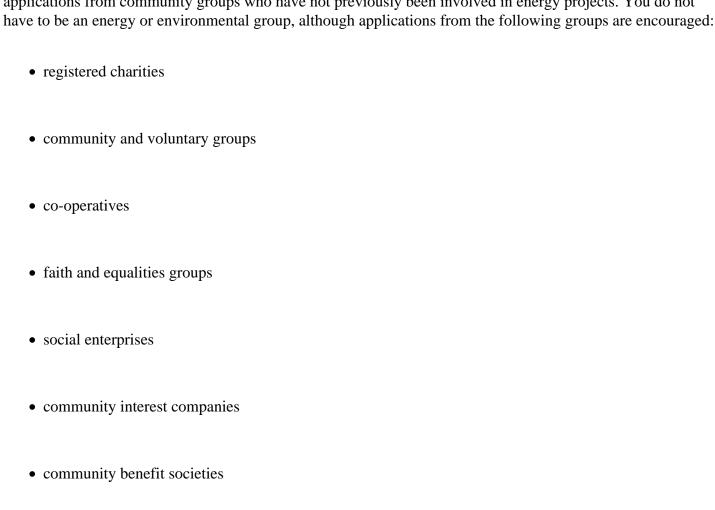
across the capital.

We define community energy as collective action taken by a self-organised network of people with a common agenda to reduce, manage or generate energy. In March 2025 the Secretary of State for Energy Security and Net Zero, Ed Miliband MP, highlighted the importance of community energy: "Every solar panel and every wind turbine communities put up?helps protect us from the rollercoaster of global fossil fuel markets."

The Mayor is keen to support projects run by community energy groups, as well as those supporting renewable and energy-saving measures on community buildings. This could include, in particular, projects that help to reduce energy usage and running costs in schools, community centres, places of worship, libraries and other sites providing a service to the local community.

2.2 Who can apply?

The fund is particularly targeted at small organisations with charitable aims operating in London. We welcome applications from community groups who have not previously been involved in energy projects. You do not



• tenants' and residents' associations, or tenant management organisations

- housing associations
- schools working with community groups.

If your group/organisation doesn't fit any of the above descriptions, do get in touch with us at CommunityEnergy@london.gov.uk to discuss your project.

2.3 Examples of community energy projects

Gurdwara Goes Green

The Gurdwara Sahib Woolwich has received funding through three phases of the LCEF to help achieve their green ambitions. The Gurdwara is a place of worship for the local Sikh community, as well as a community centre for those of all backgrounds. The Gurdwara operates a community kitchen offering free meals to all; organises various activities; and hosts presentations on important community matters.

Initial LCEF funding enabled a solar feasibility study to be carried out. Further LCEF funding contributed to installing a 32kWp solar array in 2023. Most recently, funding in 2024 contributed to the installation of energy-saving LED lighting and diverters to maximise the electricity generated by their array. The solar array alone is saving the Gurdwara £3,000 per year in electricity bills. Their green ambitions continue, with plans to install battery storage; increase their solar array; and expand their recycling efforts.

On a broader scale, leaders at the Gurdwara Sahib Woolwich are keen to share their experiences with anyone looking to undertake similar community energy projects. They are especially keen to share their learnings with other Sikh temples, citing how important caring for the environment is to their religion.

Khalsa Primary School

Khalsa Primary School is a voluntary aided Sikh faith school in a low-income area of Ealing. In 2023, community groups Ealing Transition and Schools' Energy Co-op jointly implemented a solar PV project at the school using LCEF funding. They also made use of Ealing Council's Carbon Offset funding. (Read more about Carbon Offset funding in Section 6 of this prospectus).

The project installed a 38.07 kWp PV system, saving Khalsa Primary School 11.7 tonnes of carbon emissions, and at least £2,500 of electricity each year. The school has been provided with a monitoring panel where everyone can view live generation, carbon and cost-saving data of the solar panels; this makes them a great education tool.

Since the removal of the Feed-in Tariff, the ability to store and export generated energy is a key aspect of a solar project's financial viability. For schools, the ability to store energy is particularly important during August, when they are not open, to make use of the solar-lucrative sunny period. Funding for batteries, as well as the solar PV panels, ensures overall better value for money.



Figure 2.1 -

Members of Gurdwara Sahib Woolwich with Deputy Mayor for Energy and Environment Mete Coban.

3. London Community Energy Fund 2025–26

Phase 8 of the London Community Energy Fund (LCEF) is now open. The deadline for applications is 7 December 2025 at 11.59pm. See how to apply, or see more about the LCEF.

Funding will be available to successful applicants after grant agreements with the Greater London Authority (GLA) are finalised. The GLA has listened to the community groups it has supported over the years. From this, it has decided to allocate up to 50 per cent as upfront payment upon signature of the grant agreement. The remainder will be released in tranches, when key milestones are met. The grant agreement will include clauses enabling the GLA to recover any payments made in advance, should your project not proceed.

To apply, the application forms accompanying this prospectus can be requested from the GLA's website at www.london.gov.uk/community-energy-fund. Applicants can apply for grant funding for more than one project. You must complete a form for each proposed project. Completed applications must be submitted as a PDF to the

GLA via communityenergy@london.gov.uk.

To apply, you must demonstrate in your application how your project will:

- reduce greenhouse gas emissions in London
- lead to collective action to reduce, manage and generate energy
- promote community-led development and delivery of energy projects that provide direct benefit to the local community
- increase community awareness and action on clean energy
- increase the resilience of communities that are vulnerable to the impacts of climate change and high energy costs

Applicants to all streams should be confident that their project will be delivered. The funding aims to support a range of community energy projects that will: increase the generation of local clean energy across London; reduce greenhouse gas emissions and energy use; and help balance demand with supply.

The number of community energy projects the LCEF will support depends on the number and quality of applications we receive, up to the maximum amount of funds available in this round. We will assess applications against the criteria as set out in the application forms.

Further guidance for completing the application form can be found in section 3.

3.1 Project eligibility

Applications are sought for projects that meet the following principles:

• The project can deliver demonstrable carbon savings: please use the accompanying 'LCEF Savings Estimator.xlsx' to calculate illustrative savings for solar PV and renewable heating projects. If your project involves additional or alternative technologies, please ensure that savings are calculated using the latest conversion factors, available on Gov.uk.Reference:1

- The project does not adversely impact air quality. Some non-fossil fuel sources of energy do not contribute to the improvement of London's air quality, such as biomass incinerators. We are not able to fund projects such as this.
- The project proposes efficient use of the funding such as leveraging in other funds, joint procurement opportunities for services; partnerships; and working with others to maximise efficiencies.
- The project demonstrates the additional benefits the proposed community energy project will bring to local people. This is often done through local renewable/clean-energy generation or energy-demand reduction. However, it could also be through improving energy resilience by incorporating energy storage, or demand-side response measures, that reduce pressure on the local grid.
- The project demonstrates job creation, directly or indirectly, and proposals for skills and training
 development in their communities. In doing so, the project should consider equalities impacts to ensure
 appropriate inclusion and targeting of under-represented groups.
- The project fosters collaboration between community groups and maximises positive impacts by sharing learning and experience.
- The project will be completed no later than 28 February 2027.

Please note LCEF grants cannot be applied for retrospectively for projects that have already been completed.

Applications that demonstrate collaboration with, and involvement of, other local groups are encouraged. A single lead organisation must be nominated to submit the grant application. This organisation should be constituted in a way that enables it to receive funding. If the application is successful, the lead organisation will receive the funding, distribute it to partner organisations, and complete project monitoring.

Eligible technologies

Funding can be sought for projects involving a range of renewable energy generation, energy management and energy-saving technologies including:

solar PV

air-source heat pumps
• ground-source heat pumps
• solar thermal
• thermal fabric improvements, including insulation
• battery storage
building energy management systems
• electric vehicle charging.
Funding cannot be used for LED lighting projects.
Applicants will need to demonstrate the suitability of the site for the technology
Eligible organisations
To be eligible for funding, your organisation must ensure:
• it has a bank account in operation into which payment can be made; please note we will not pay into personal bank accounts
• all legal and insurance liabilities associated with the project are fulfilled
• appropriate safeguarding measures, such as DBS checks, are implemented.
3.1.1 Available funding streams

The eighth phase of LCEF will offer up to £630,000, in total, across three streams:

- **Stream one** Feasibility grants of up to £10,000 per project. This is to support the early stages of community energy projects.
- Stream two Development grants of up to £10,000 per project. This is to cover the costs to get a community energy project 'investor ready', i.e. ready to be financed.
- Stream three Delivery grants of up to a third of the capital value of the project, capped at £60,000.

Applications cannot be made to all three streams for the same project. However, you may apply to both streams two and three for the same project, provided that two separate application forms are submitted. Streams two and three are focused on accelerating and/or enhancing the delivery of projects that are already deemed viable, but are not yet fully financed. Stream one remains dedicated to supporting the development of new community energy projects (pre-installation).

Projects that were in receipt of feasibility funding through LCEF phases one to seven (previously known as stream A) could be eligible for streams two or three under this phase of funding. In this instance, the project must have secured all approvals, feasibility studies, permissions, etc; and be ready to be financed for deployment/installation.

Projects that have not yet completed the feasibility phase should seek funding under stream one. Projects that previously received funding under stream C ('pre-feasibility'), and require further development work, could be eligible for further funding under stream one.

3.1.2 Stream one – Feasibility and business case development

The scope of stream one is to help with the development of community energy projects by removing financial barriers to project feasibility. Costs covered may include:

- a technical feasibility assessment (for example structural surveys, assessing the feasibility of grid connection)
- stakeholder consultation and community engagement, including outreach
- assessment of planning issues

• getting permissions from the site landowner
• staff costs for project delivery, including labour, design, project management, volunteer management
• financial viability or business case assessments
• legal advice.
Projects being developed must demonstrate quantifiable carbon savings, for example:
• energy generation (e.g. solar heating and PV, heat pumps, hydroelectric)
• energy storage (e.g. batteries), particularly when installed alongside existing or planned energy generation
• energy efficiency and energy saving technologies including heating controls and building insulation
 demand-side response and demand reduction (e.g. through building management systems and smart meters)
• electric vehicles charging points.
Advice on demonstrating carbon savings is available in section 3 of this prospectus.
3.1.3 Stream two – Project development
The scope of stream two covers costs associated with the final stages of making a feasible project ready for deployment. These could include:

• support to complete applications for permits, licences and consent

 lease agreement • contractor or equipment procurement • capital- and match-fundraising. 3.1.4 Stream three - Project implementation and delivery Under stream three, you can apply for a contribution to the capital cost of your project, up to 33 per cent of the total capital expenditure (capex) value. The LCEF contribution for a project, under stream three, is capped at £60,000. We want to make sure that LCEF grants make a real difference: enabling a project to happen, or enhancing an existing project. We expect applicants to evidence: how they have secured, or intend to secure, match funding for their capital project; and why the works can't be fully funded from other sources. See section 7 for more details on other sources of funding available. Funding in stream three will support a range of works associated with implementing projects. These could include: • purchasing materials required for the project (e.g. energy-efficiency measures, heat pump, solar panels etc)

3.1.5 Core cost funding for community energy organisations

• purchasing or hiring machines and equipment.

• installing equipment; and project managing the installation

• grid connection

In addition to funding the development and delivery of specific projects, the LCEF also aims to strengthen the capacity of London's community energy sector by covering some of the core costs associated with running a

community energy organisation. This support is designed to help organisations continue delivering projects into the future.

Community energy organisations that demonstrate a clear intention to undertake community-energy projects beyond those in their LCEF application can claim up to 25 per cent of their grant as core funding. This may be used to cover core essential business costs and support capacity building within the community-energy sector. The total grant value, including core costs, cannot exceed the maximum available for the relevant stream.

See a worked example, below, for a stream three application:?

Capital costs?	the grant?	the grant?	Total eligible grant?
£120,000.00?	£40,000.00?	£13,333.33?	£53,333.33?

To be eligible, applicants must demonstrate:

- a successful track record of previous projects
- a pipeline of prospective future projects
- a clear justification how the core funding will be used.

We welcome applications from community organisations that are not specifically community energy organisations. However, these will not be eligible to claim core cost funding.

Applicants to stream three, who are not community energy organisations, may claim up to 10 per cent of their grant for project management costs.

See a worked example, below, for a non-community energy organisation, of a stream three application:?

Capital costs?	under the grant?	leligible linger the grant?	Total eligible grant?
£120,000.00?	£40,000.00?	£4,444.44?	£44,444.44?

For community energy organisations applying to stream three, project management costs are considered part of the 25 per cent allowance for core funding. No additional funding is available for managing the project.

4. Guidance for applying

Applications must:

- demonstrate eligibility for this funding
- provide evidence the amount of grant-funding required; and explain why LCEF support is specifically needed to ensure the project is delivered
- show how the project will meet the objectives of the fund.

Application forms must be completed in full and returned as a PDF document to CommunityEnergy@london.gov.uk along with accompanying documentation.

A strong application will:

- show clear carbon savings and community benefits
- have a detailed breakdown of how funding will be spent
- take a comprehensive approach to risk management, to support successful delivery of the project.

When you're ready to apply, download your application pack.

4.1 Demonstrating project eligibility

Applications must comply with the following requirements:

- You must set out how you intend to undertake and deliver all project development and pre-feasibility activities by the timelines given in section 5.
- The LCEF is open to London-based community groups that are legally constituted; or established groups with a governing document and separate bank account. Companies and charities applying for grant funding will need to send in supporting financial information outlined in section 8 of the application form.
- Community energy projects, and their benefits, must be delivered in London.
- Projects and the way they are delivered must comply with the Equality Act 2010. More information about the GLA's work on equality, diversity and inclusion (EDI) (including its strategy) can be found on the GLA's webpage, Improving equality.

4.2 Evidencing the need for grant funding and deliverability

Your application should demonstrate the amount of grant funding required and explain why LCEF support is specifically needed to ensure project delivery. This can include evidence of funding gaps or unsuccessful bids from other funding sources.

Applicants should consider how to manage potential changes in capital costs and how changes in fuel prices may affect the viability of the project. They should factor these contingencies into project plans.

Applicants are expected to outline relevant experience that will ensure successful delivery of the project. This includes experience working with the local community, experience of delivering community energy projects and understanding the wider benefits the project will bring to the local area.

Applications should also confirm the following, to demonstrate project deliverability:

- Equipment will be installed by appropriately accredited installers.
- Plans are in place for the ongoing maintenance and safe operation of installed equipment.
- Decommissioning procedures are considered for the end of the asset's life.
- Adequate insurance and liability coverage is in place to manage project risks.

There are different levels of evidence required for each of the three streams. These are outlined in the table below. This evidence will be used to assess the deliverability of the project.

Applications will be assessed and supported based on proposed outcomes of the project. Applicants should therefore consider alternative delivery options, should the project become unviable. This can include having back-up sites for installation of a project. The application should outline how this risk will be managed.

Table 4.1 -

Requirement	Stream one (feasibility)	Stream two (development)	Stream three (delivery)
Maximum grant amount	£10,000	£10,000 ¹	£60,000

Proportion of project costs supported	Up to 100% of costs	Up to 100% of costs	Up to 33% of capital costs
Match funding (identified, if not secured)	Encouraged but not necessary	Encouraged but not necessary	At least 66.67% of total capex
Installation work completed by	28 February 2027	28 February 2027	28 February 2027
Budget	Budget breakdown of itemised elements of the work to be funded through the grant	Budget breakdown of itemised elements of the work to be funded through the grant	Budget breakdown of installation/deployment costs evidenced through quotes
Eligible costs	Costs related to developing the feasibility of the community energy project excluding any capital costs.	Costs related to the final stages of preparing a community energy project for installation.	Capital costs
Grant payments		<u> </u>	the GLA upon signature of grant lestones delivery as per funding

Evidence required (see detail below)	Consent in principle from landlord/landowner	Formal confirmation of consent from landlord/landowner. Quotes from any energy assessors or external contractors required.	All development work completed and project suitable for installation (business case, feasibility reports, planning, etc, all undertaken and positive outcome) + quotes from installer/contractor + accreditation for suppliers + plans for maintenance and decommissioning + appropriate insurance and liabilities
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The following must be provided with your application:

Stream one -

• Consent in principle from the landlord/landowner if the project is looking to do anything in or to a building that is not fully owned by the applicant.

Stream two -

- Formal confirmation of consent from landlord/landowner
- Quotes for any required external contractors or equipment

Stream three -

- A copy of the feasibility study showing that the project is technically sound and can proceed to installation/deployment.
- Technical details of the system to be installed.
- Permissions required and evidence that these have been provided.

For projects looking to install microgeneration technologies, a valid estimate from an MCS-certified installer that includes:
• size of the system (in kWp)
• estimated heat/energy to be generated per annum (in kWh)
• estimated carbon savings per annum (in tonnes of CO2)
• quote for installation of works.
• If applicable, written permission from the building owner stating they have read the property survey report provided by the named MCS certified installer and give permission for the works to go ahead.
• Evidence of accreditation for suppliers.
• Plans for maintenance and decommissioning.
Appropriate insurance and liabilities.
We recommend you get quotes from at least two different contractors.
If any other permissions for such works are required, a statement must be provided, along with: your application outlining which permissions are to be sought, and from whom; and the timescales of gaining approval. These may include:
• planning and listed building consent
• building regulations
• property owner consent.

4.3 Stream three: Being delivery-ready

We understand that not all projects seeking capital funding will be completely delivery-ready at the time of application. Applications to stream three will be considered where further development work is still required.

A project will be deemed to be delivery ready once the following is evidenced:

- contractors are procured, with quotes provided for the costs of work
- all relevant planning approvals are authorised
- the site owner has given clear confirmation and commitment that the work will proceed
- structural surveys are complete, where relevant
- all match funding is secured, where relevant
- for renewable generation projects, a Distribution Network Operator (DNO) connection has been authorised (G98 or G99)
- the necessary insurance for installation is in place.

A grant offer will not be finalised for stream three until the above requirements are evidenced. However, a conditional grant offer may be issued subject to these requirements being met, and funding still being available. Funding for conditional grant offers will be offered on a first-come first-served basis.

4.4 Project reporting

Please note that at the end of the project we require:

• a completed monitoring form with appropriate information (failure to provide this at the end of the project will result in the organisation being ineligible for future funding).

• all financial evidence, including receipts, to be kept for at least six years after monitoring information is submitted.

4.5 Meeting the objectives of the fund

To apply, you must demonstrate in your application how your project meets most of the following objectives:

- saves carbon emissions in London
- leads to collective action to reduce, manage and generate energy
- promotes community-led development and delivery of energy projects that provide direct benefit to the local community
- increases community awareness and action on energy and clean energy
- helps increase the resilience of communities that are vulnerable to the impacts of climate change and high energy costs.

You will be expected to show how your project will meet these objectives and, where possible, how you will measure its impact. Please demonstrate clearly the experience you have of working with the local community; how this project will bring benefits to that community; and how they will have a genuine stake in the asset that is developed.

The following guidance has been put together to help you address the project objectives in your application.

4.5.1 Environmental impact

Please use the accompanying 'LCEF Savings Estimator.xlsx' to calculate illustrative savings for solar PV and renewable heating projects. If your project involves additional or alternative technologies, please ensure that savings are calculated using the latest conversion factors, available on Gov.uk.Reference:3

4.5.2 Making your project inclusive

Part of what makes community energy so valuable is its ability to build a sense of belonging in local communities whilst making neighbourhoods greener. One of London's strengths is the diversity of people who call it home - so your projects should be as accessible to as many Londoners as possible. Applicants will be asked to demonstrate the community impact of their project, including how the local community has a genuine stake in any asset that is developed.

Please note that every LCEF applicant is required to detail how their proposed actions would reflect the aims of the Equality Act 2010 and other core EDI requirements. (Refer to the application form for further details.) Below are examples of how you can make your project inclusive:

- When hosting workshops, meetings and events with the community, ask participants in advance to indicate if they will require a British Sign Language (BSL) interpreter, an English-language interpreter (for those with limited English proficiency) or similar.
- Consider the locations of events: some may find meetings hosted online more accessible, such as those with caring responsibilities. Others may not be confident with online technology. Some may prefer inperson events, purely for the opportunity to build relationships more easily.
- Ensure in-person event venues are physically accessible to wheelchair users and those with limited mobility or other physical needs.
- Consider the timing of events: some may work non-standard hours such as night or weekend shifts. Offering a selection of events at different times (for example, on a mid-week evening or during the daytime at a weekend) maximises the opportunity for everyone to engage.

When producing written communications such as leaflets and e-newsletters, it is good practice to use plain English. This is especially important when communicating anything technical about energy-saving technologies. If your project's community includes a sizeable group of residents who share the same additional language as well as possibly having limited English proficiency, consider producing bilingual copies of leaflets and newsletters

4.5.3 Consider how your project will be managed once you have completed

For your project to have maximum impact, consider what will happen after it is completed; and activities you will need to do during delivery for it to be successful. This is particularly important for applicants to stream three; however it should also be a consideration of delivery under streams one and two. Such activities could include:

- engaging with the building user where an installation has taken place and ensuring a handover has taken place with the premises manager
- requiring a quality handover from your installer
- establishing ways for the community to remain involved in the project and make decisions about its future
- celebrating and publicising the benefits created by the project
- ensuring plans to maintain and decommission any installation are in place, and shared with the relevant parties.

4.5.4 Modern slavery

The government has issued guidelines on delivery of solar PV (see: Department of Energy Security and Net Zero, Solar roadmap: United Kingdom powered by solar). In line with these, we ask you to consider guidance on ethical procurement and supply chains, where applicable, for any applications under streams two and three. This is not necessary for a stream one solar PV project; however, we suggest it is an important factor to consider early on.

Adhering to this guidance can include having suitable measures within your procurement process to set minimum standards relating to modern slavery risk; or mechanisms in place to avoid products or identify alternative sources. For example, you may wish to ensure the supplier belongs to the Solar Stewardship Initiative (or alternative suitable equivalent); or is using firms in its supply chain identified in the In Broad Daylight report (Sheffield Hallam University, 2021).

4.6 Scoring applications

Applications will be scored from 1 to 5, according to the following criteria:

1 – very poor: very limited or no evidence provided. Major concerns.

2 – poor: some evidence, but significant weaknesses or gaps.

- 3 adequate: meets minimum expectations, some strengths but also some weaknesses.
- 4 good: strong evidence provided, only minor weaknesses.
- 5 excellent: comprehensive, compelling evidence with no weaknesses.

Each stream has separate weighting for each section. The highest achievable score is 50 for all streams. Any applications with a score of one in any section will not be considered for funding.

Section	Criteria	Considerations	Weighting
1. Organisation	Applicant's experience with community engagement; track record in community energy delivery; and potential for wider benefits.	What experience does the applicant have of working with the local community? To what extent would funding lead to new skills/capacity for London's community energy sector? What experience does the applicant have in delivering community energy projects? (If none, to what extent have they evidenced working in partnership with experts or community energy groups?)	 Streams one and two: 2 Stream three: 2
2. Community impact	Extent of local community stake; consideration of EDI; and overall impact of project on community.	To what extent will the local community have a genuine stake in any asset that is developed? To what extent is EDI integral to the project? To what extent is there an overall benefit the community?	 Streams one and two: 3 Stream three: 2

3. Energy Impact	Greenhouse gas and fuel bill savings; value for money of technology; and additionality of LCEF funding.	Will delivery lead to meaningful greenhouse gas and fuel bill reductions? Does the project demonstrate value for money? To what extent does LCEF funding enable/enhance carbon savings that otherwise wouldn't happen?	Streams one and two: 2Stream three: 2
4.1 Delivery: budget	Clarity of costs; security of remaining capital funding within timeline.	How clearly have expected costs been detailed in the application? To what extent has the remaining capital funding (where relevant) been secured within the timeline?	 Streams one and two: 1 Stream three: 1
4.2 Delivery: risk management	Mitigation measures; alternatives; site viability; and confirmation of partner/site readiness.	Have mitigation measures and alternatives been identified? Have partners confirmed site accessibility and checks/sign-offs?	 Streams one and two: 0.5 Stream three: 1
4.3 Delivery: readiness	Project readiness for delivery/deployment; completion of development/feasibility work.	To what extent is the project ready for delivery/deployment? Has all development/ feasibility work been completed?	 Streams one and two: 0.5 Stream three: 1
4.4 Delivery: delivery plan	Existence of a clear delivery plan and milestone timetable for anticipated delivery of measures.	Is there a clear delivery plan in place supported by a timetable of milestones for delivery by 28 February 2027?	Streams one and two: 1Stream three: 1



Figure 4.1 -

Vine URC Church in Ilford received LCEF funding in 2023 to install a 3.2kW solar array, insulate the roof and walls, and install de-stratifiers. © Vine URC Church



Figure 4.2 -

With feasibility funding from the LCEF, East Ham Library received a 74kWp solar installation in 2023. The project was delivered by Repowering London in collaboration with Community Energy Newham. East Ham LibraryEast Ham Library, October 2023. © Joe Burrows

5. Funding offers

Each eligible application will be scored by an evaluation panel consisting of GLA staff and independent experts, according to the criteria set out in section 3. Successful applicants will be offered grants, subject to acceptance of the GLA's funding terms and satisfactory completion of financial due diligence.

The GLA will be using a Grant Management System (GMS) to manage all future payments of the LCEF programme. All successful projects will be expected to register on the system to receive grant payments.

5.1 Funding terms

Any award of funding will be made subject to your acceptance of the GLA's standard funding terms, which are set out in Appendix 1 of this prospectus. The terms are non-negotiable; attempts to alter them or propose changes may result in your application being rejected.

Stream three applications

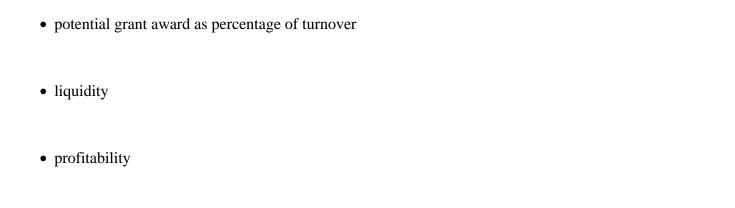
For stream three, the scoring panel will consider applications where some of the development work (match funding) has not yet been finalised at the time of applying but will be finalised within the delivery window. The GLA may make conditional offers of funding in such cases, provided grant funds are still available.

Upfront funding for stream three is dependent on providing evidence that the required development work has been completed. Any conditional offer will be converted into a formal grant award, once this evidence has been submitted and verified.

5.1.1 Financial due diligence

The GLA will undertake financial due diligence to understand an organisations financial health, and the degree of risk to the GLA in awarding funding to them. This ensures any risk to either the success of the programme and project objectives, or to the funding itself, has been considered and deemed acceptable. The GLA's financial due diligence process is a risk-based assessment. Potential grantees will have to submit their financial due diligence information as part of the application process.

The financial due diligence will comprise the following standard checks:



• debtors and creditors cycle

• return on capital employed

gearing

- the review of credit reports
- standard Companies House and Charity Commission checks (where applicable).

Any risks highlighted from the assessment will be provided to the evaluation panel to consider when determining the award of funding.



Figure 5.1 -

Solar for Schools used LCEF funding to install a 151kWp solar array on Heron Hall Academy in 2023. Combined with an existing 90kWp array, this means 39% of the school's total electricity use is now powered by solar. This has increased the school's energy bill savings to an estimated £14,000 as well as empowering the students with a real-life example of sustainable energy.

6. Timetable for London Community Energy Fund 2025-26

Fund opens for applications	8 October 2025
Deadline for submissions to GLA	7 December 2025 at 11.59pm
Assessment of applications	January 2026
Successful applicants informed	February 2026
Return of signed funding agreements to GLA	31 March 2026
Upfront payment processed	April 2026
Project completion (all streams)	28 February 2027

7. Resources and support

7.1 Resources for those new to community energy

We welcome project proposals from a variety of groups, not just those who have previously delivered community energy projects. However, we understand you might be unsure about how to get started.

- <u>Community Energy England's 'Getting started' guide</u> has various resources and advice for those who are new to community energy. It covers areas such as how community energy works; designing a project; running community engagement events and understanding green technologies.
- <u>Community Energy London's '10 Step Guide'</u> is specifically about setting up a community energy group. They also have a 'Step By Step Project Guide'.
- Please use the application form's accompanying 'LCEF Savings Estimator.xlsx' to calculate illustrative savings for solar PV and renewable heating projects. If your project involves additional or alternative technologies, please ensure that savings are calculated using the latest conversion factors, available on Gov.uk.Reference:4

• Become a member of <u>Community Energy London (CEL)</u>. This is a 'community of community energy groups' offering a variety of resources, in-person meetings and support such as mentoring.

7.2 Capital funding

Stream three of the LCEF can provide grant capital funding of up to 33 per cent for the total project capital expenditure (capex). If you need help identifying potential sources of capital funding to support the remaining 67 per cent of your project, these can be found on Community Energy England's webpage, <u>Funding Opportunities</u>. You should also ask your London borough about their carbon offset fund (see Box 1 below) and other funding support for community energy projects.

7.3 Finding sites

Community groups looking for sites are encouraged to check out Community Energy London's <u>Potential Map</u>. This map has been developed to help community energy groups find promising development opportunities to visually explore the potential of community energy in London. Data from the?<u>London Solar Opportunity Map</u>,?the <u>London Heat Map</u>?and the?<u>London Building Stock Model</u>? have been matched to community building types; the data can be explored by administrative area (borough, constituency, ward) or for London as a whole. Visit the Community Energy London website for more information and instructions on how to use this tool.

We also encourage groups to reach out to their local authority's climate, sustainability or energy teams to discuss any opportunities for collaborating on a project on a council-owned building.

Carbon offset funds

Community energy projects might be eligible for capital funding from London boroughs through a local community energy fund or climate action fund. Many boroughs in London now have funds available; these funds can be used in conjunction with LCEF. Check your council's website for more details.

These are often funded through carbon offset funds. The Mayor of London has planning policies within the London Plan that require new developments above a certain size to be 'zero-carbon'. Whilst striving to achieve the highest carbon savings onsite as possible, developers can make a financial contribution to reduce or 'offset' emissions through projects delivered elsewhere within the borough.

The mechanism through which these cash in lieu contributions are collected is known as Section 106, and payments are often referred to as S106 Carbon Offsets. The GLA's Carbon Offset Fund's Report explains how these funds may be spent.

Different boroughs will have priorities for where and how they would like to see their carbon offset funds invested, and not all boroughs will have funds immediately available. Try contacting the environmental/sustainability team or S106/Community Infrastructure Levy officer within your local authorities' planning department, for more

7.4 Finding volunteers

If your organisation is looking for volunteers to work on your projects, <u>Simply Volunteer London</u> offers a website for London's third sector to reach thousands of volunteers. Connecting people from different backgrounds and communities through volunteering can make London a happier and more unified city. Your organisation can advertise volunteering roles on the <u>Simply Volunteer London</u> website for free.

7.5 Other GLA community-focused funding

If this fund isn't quite right for your project, there might be other sources of funding available through the GLA that would fit your project better. Find out more here: GLA, Find a grant.

8. Funding terms

Grants offered through the LCEF will be subject to the funding terms set out below, accompanied by a Project Specification (Appendix 1), an example Mayor of London logo (Appendix 2), and a Project Claim Form (Appendix 3).

The Funding is granted by the GLA to meet the objectives set out in Appendix 1 to this letter (the "Objectives") subject to the following terms and conditions:

- 1. The Funding must be used exclusively for meeting the Objectives and for no other purpose and must be applied in accordance with the provisions of Appendix 1. In the event that You wish to utilise the Funding in different proportions from those set out in Appendix 1 You must obtain prior written consent from the GLA.
- 2. Subject to Your compliance with all of the provisions of this letter, the GLA shall, within 30 days of receipt of valid funding claims (to be made in accordance with the timetable set out at Appendix 1 ("Project Funding Timetable") and accompanied by a written report detailing Your progress in relation to meeting the Objectives set out in Appendix 3 ("Progress Update and Claim Form") and any other information the GLA may require), pay You sums in respect of such claims provided that they shall not exceed [] pounds sterling (£[]) in aggregate. Where, at any point in the opinion of the GLA, satisfactory progress has not been made by You in meeting Your obligations or You are in breach of Your obligations as set out in this letter and appendices to it, the GLA shall be entitled to reduce, suspend, withhold and/or require re-payment of the Funding. The provision of the Funding amounts to a conditional gift and is therefore not subject to VAT. If, at any time, however, it is held to be subject to VAT, then You agree and acknowledge that the Funding shall have included any and all applicable VAT.
- 3. You must ensure that the requirements set out in this letter, and in any clarification or guidance issued from time to time by the GLA, are complied with. In particular You shall:
- a) agree in writing in advance with the Authority any changes to any of the Objectives;

- b) establish, implement and utilise effective monitoring and financial systems, so that as a minimum the costs funded by the Funding can be clearly identified and the propriety and regularity of all payments and handling of the Funding are ensured;
- c) notify the GLA of the monitoring and financial systems in place, and comply with the GLA's reasonable requirements for these systems;
- d) notify the GLA immediately if any financial irregularity in the use of the Funding is suspected, and indicate the steps being taken in response. Irregularity includes (but is not limited to) any fraud, impropriety, mismanagement or use of the Funding for anything other than approved in this letter and appendices to it;
- e) notify the GLA immediately if any other financial irregularity is suspected, and indicate the steps being taken in response;
- f) notify the GLA immediately if You are Insolvent (as defined at Clause 18 below), or have no reasonable prospect of avoiding Insolvency in the future;
- g) keep a record of all expenditure incurred in meeting the Objectives together with full supporting evidence and Additional Funding (as defined at Clause 13 below) received, and You shall deliver to the GLA a report setting out a detailed analysis of how the Funding has been spent, with such report to be approved by the Authority within 30 days of its receipt. All evidence of expenditure incurred such as original invoices, receipts, timesheets and other relevant documents must be kept for at least 6 years after the date of this letter;
- h) make all relevant documents available and provide access at any time for:
- i) inspection visits and scrutiny of files by GLA or anyone nominated by the GLA and
- ii) an external audit and review of the Objectives and of financial appraisal and monitoring systems.
- 4. You must ensure that publicity is given to the fact that the GLA is financially supporting You in the Project and the Objectives. In acknowledging the contribution made by the GLA, You must acknowledge the support of the GLA in any materials that refer to the Project or Project related activity, including (without limitation) in any written or spoken public materials or presentations about the Project or Project related activity. You must comply with any guidance on publicity given by the GLA from time to time and all publicity referring to the GLA, the Mayor of London and/or any third party partner or sponsor of the GLA shall be subject to the prior approval of the GLA.
- 5. You must ensure that the GLA's logos (as set out in Appendix 2) are used in any marketing activities undertaken in respect of the Project, including all fliers and posters. You should also incorporate the GLA's logos into the credits of each film that is produced as part of the Project. You must also ensure that You use such other logos specified by the GLA in marketing the Project and incorporate the same into the credits of each film that is produced as part of the Project.
- 6. In acknowledging the GLA's grant of the Funding, You must comply with any guidance on publicity provided by the GLA in respect of the use of the GLA logos and/or any logos of any third party partner or sponsor of the GLA and ensure that any use of the GLA logo or any third party partner or sponsor of the GLA is approved by the GLA in writing in advance of its use.
- 7. You must not do anything that may (in the opinion of the GLA) place the GLA, its third party partners and/or sponsors in disrepute or harm the GLA's reputation and/or that of third party partner or sponsor of the GLA.

- 8. You will be liable for and indemnify and keep indemnified the GLA against any loss or damage incurred and any injury (including death), suffered and all actions, costs, demands, proceedings, damages, charges and expenses whatsoever arising in connection with the management (including financial management) and carrying out of the Project and the Objectives to the extent that such actions, costs, demands, proceedings, damages, charges and expenses are due to Your negligence or default in carrying out the obligations as set out in this letter and appendices to it.
- 9. The GLA may at its sole discretion terminate this Agreement at any time whether for breach or convenience by giving two weeks' written notice and in the event of such termination the GLA shall not be obligated to make any further payments of the Funding.
- 10. You must ensure that You maintain in force policies of insurance with an insurance company of long-standing and good repute in respect of public liability and such other insurance as may be required in order to comply with Your obligations set out in this letter and appendices to it.
- 11. You must ensure that Your organisation and anyone acting on Your behalf:
- a) complies with all laws for the time being in force in England and Wales; and
- b) without prejudice and in addition to Clause 11a:
- i) comply with all relevant enactments in force from time to time relating to discrimination in employment and the promotion of equal opportunities;
- ii) acknowledge that the GLA is under a duty under section 149 of the Equality Act 2010 to demonstrate it has paid due regard to the need to:
- 1) eliminate unlawful discrimination and harassment;
- 2) advance equality of opportunity between groups who share protected characteristics (including include: age, race, gender, disability, religion or belief, sexual orientation, gender reassignment) and those that do not, in particular, minimise disadvantage suffered by such groups; taking steps to meet the needs of such groups that are different from the needs of others; encouraging such groups to participate in activity in which their participation is disproportionately low; and
- 3) foster good relations between people who share a protected characteristic and those that do not, and in undertaking any activity concerning the Project, assist and cooperate with the GLA where possible in satisfying this duty;
- c) assist and co-operate with the GLA where possible in respect of the GLA's compliance with its duties under Clause 11b(ii);
- d) (before the commencement of the Project):
- i) undertake Disclosure and Barring Service checks in respect of all persons engaged in or about the Project (by You, any agent, sub-recipient of GLA Funding, contractor or sub-contractor) where such persons shall be working with children or vulnerable persons or have access to personal data (as defined by the Data Protection Act 1998 and from 25 May 2018, the Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data) concerning such children and

vulnerable persons in relation as part of the Project; and

- ii) have in place (and maintain throughout the continuance of the Project) appropriate child and vulnerable persons safeguarding policies, which must, for the avoidance of doubt meet any requirements of the GLA's related policies in this place from time to time, including (without limitation) the GLA's Child Policy and Protection Procedures; and
- e) shall ensure that Your employees, contractors, servants, agents and/or sub-contractors undertake the Project and comply with Your obligations under this letter of agreement in manner which enables the GLA to comply fully with its duties under Part 5 of the Counter-Terrorism and Security Act 2015 and which sets out a duty for specified authorities (and their grant recipients) to have due regard to the need to prevent people from being drawn into terrorism.
- 12. For the avoidance of doubt both the GLA and You acknowledge and agree that Your Project costs exceed the Funding and that the GLA shall not provide any additional funding and shall not be liable for any sums in excess of the Funding provided under this letter of agreement.
- 13. You shall use Your best endeavours to secure satisfactory funding from other sources to meet Your Project costs ("Additional Funding") and keep a record of Your activities to raise such additional funding. Records of all additional funding You secure, expenditure You incur, and purposes to which additional funding is put shall, if requested, be provided to the GLA.
- 14. The GLA may at its absolute discretion reduce, suspend or withhold the GLA Funding, or require all or part of the GLA Funding to be repaid if:
- a) You fail to deliver the Project or meet the Objectives and/or the delivery of the Project is reasonably adjudged by the GLA to be unsatisfactory;
- b) there is a substantial change to the Project or the Objectives which the GLA has not approved, or any attempt is made to transfer or assign any rights, interests or obligations created under this letter of agreement or substitute any person in respect of any such rights, interests or obligations, without the prior consent in writing of the GLA;
- c) any information provided in the application for funding or in a claim for payment or in subsequent or supporting correspondence is found to be incorrect or incomplete to an extent which the GLA reasonably considers to be material;
- d) You fail to comply with any of the terms and conditions set out in this letter of agreement;
- e) Your composition, ownership or control changes, or You become Insolvent or are dissolved in any way;
- f) any other circumstances significantly affect Your ability to deliver the Project and/or meet the Objectives or result in or are in the reasonable opinion of the GLA likely to lead to the Project and/or the meeting of the Objectives as approved not being completed;
- g) any of the events referred to in Clauses 3d, e or f occur;
- h) insufficient measures are taken by You to investigate and resolve any financial irregularity or the GLA reasonably concludes the Funding is at risk of being misapplied; and/or

- i) there are any other reasons why in the reasonable opinion of the GLA the Project is being carried out in such a way as to conflict with the objectives of the GLA or bring the GLA into disrepute.
- 15. You shall notify the GLA immediately and provide the GLA with a full written explanation, if any of the circumstances in Clause 14 above arise.
- 16. If the GLA becomes entitled to exercise its rights under Clause?14 it may nevertheless decide not to exercise those rights, or not to exercise them to the fullest extent possible, or to delay in exercising those rights. Any decision not to exercise the GLA's rights under Clause?14, or to exercise them only partially or to delay in exercising them, may be made on conditions which will be notified to You provided always that any such decision by the GLA shall not prevent the subsequent enforcement of any subsequent breach of that provision, and shall not be deemed to be a waiver of any subsequent breach of that or any other provisions.
- 17. Notwithstanding the execution of this letter as a simple agreement, the parties hereby agree that the limitation period for legal claims hereunder shall expire following a period of twelve (12) years from the date upon which the breach to which such claim relates becomes apparent
- 18. "Insolvent" means:
- a) where You are an individual (or if more than one individual, then any one of them):
- i) are the subject of a bankruptcy petition;
- ii) are the subject of an application for an interim order under Part VIII of the Insolvency Act 1986 as amended by the Insolvency Act 2000 and the Enterprise Act 2002;
- iii) enter into any composition, moratorium or other arrangement with Your creditors, whether or not in connection with any proceeding under the Insolvency Act 1986 as amended by the Insolvency Act 2000 and the Enterprise Act 2002; and
- b) where You are a body corporate (or if more than one body corporate than any one of them):
- i) a proposal for a voluntary arrangement is made under Part 1 of the Insolvency Act 1986 as amended by the Insolvency Act 2000 and the Enterprise Act 2002 or Your directors resolve to make such a proposal;
- ii) a petition for an administration order is presented under Part II of the Insolvency Act 1986 as amended by the Insolvency Act 2000 and the Enterprise Act 2002 or Your directors resolve to present such a petition;
- iii) a receiver (including a receiver under section 101 of the Law of Property Act 1925 or manager or administrative receiver of Your property (or part of it) is appointed;
- iv) a resolution for Your voluntary winding up is passed under Part 1V of the Insolvency Act 1986 as amended by the Insolvency Act 2000 and the Enterprise Act 2002 or a meeting of Your creditors is called for the purpose of considering that You be wound up voluntarily (in either case, other than a voluntary winding up whilst solvent for the purposes of and followed by a solvent reconstruction or amalgamation);
- v) a petition for Your winding up is presented to the court under Part IV or by virtue of Part V of the Insolvency Act 1986 as amended by the Insolvency Act 2000 and the Enterprise Act 2002 or a resolution is passed that You be wound up;

- vi) an application is made under section 895 of the Companies Act 2006 or a proposal is made which could result in such an application;
- vii) entry into or a proposal to enter into any arrangement, moratorium or composition (other than any referred to above) with Your creditors; or
- viii) Your dissolution or removal from the Register of Companies or Your ceasing to exist (whether or not capable of reinstatement or reconstruction).
- 19. For the purposes of Clause 20:
- a) "Agreement Information" means (i) this letter of Agreement in its entirety (including from time to time agreed changes to the letter of Agreement) and (ii) data extracted from the claims made under this letter of Agreement which shall consist of Your name, the expenditure account code, the expenditure account code description, the document number, the clearing date and the claim amount; and
- b) "Transparency Commitment" means the GLA's commitment to publishing its agreements, contracts, tender documents and data from invoices and claims received in accordance with the Local Government Transparency Code 2015 and the GLA's Contracts and Funding Code.
- 20. You acknowledge and agree that the GLA:
- a) is subject to the Transparency Commitment and accordingly, and hereby give Your consent for the GLA to publish the Agreement Information to the general public; and
- b) may in its absolute discretion redact all or part of the Agreement Information prior to its publication. In so doing and in its absolute discretion the GLA may take account of the exemptions/exceptions that would be available in relation to information requested under the Freedom of Information Act 2000. The GLA may in its absolute discretion consult with You regarding any redactions to the Agreement Information to be published pursuant to this Clause 20. The GLA shall make the final decision regarding publication and/or redaction of the Agreement Information.

9. Other formats and languages

For a large print, Braille, disc, sign language video or audio-tape version of this document, please contact us at the address below:

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Telephone 020 7983 4100

www.london.gov.uk

You will need to supply your name, your postal address and state the format and title of the publication you require.

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Greater London Authority

September 2025

Published by: Greater London Authority

City Hall

Kamal Chunchie Way

London E16 1ZE

www.london.gov.uk

Enquiries 020 7983 4100

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