



# **SSE Renewables Approach To Investing In Communities**

# Introduction

SSE Renewables is one of the world's largest developers of renewable energy. We have always believed in sharing the value of our renewable energy projects with communities, maximising the benefits of local, sustainable power. We build long-lasting relationships with local communities to support them now and in the future. Our specialist in-house team works with communities for the lifetime of our funds to build capacity, enhance local provision and provide tailored guidance based on local needs.

At the centre of our community approach is ensuring that the community investment is developed by local people. They are the experts on local priorities and are best placed to ensure that the investment goes towards the most important projects in their area.

## Size and scale of our funding

Since 2003, we have invested over £88m in more than 11,00 community projects - from establishing befriending services; helping emergency responses during the Covid pandemic; to protecting the local heritage and culture. Over the next decade, our funds will grow substantially as we develop more green energy assets across the UK and Ireland and beyond.



**£320m**  
lifetime value



More than  
**£10 Million**  
invested every year



**50** Community  
Funds



# Our funding principles

We seek to be a responsible funder, committed to ensuring our funding is enabling and transparent, for both the projects we support and the communities we serve. This is identified through our core funding principles:



**Place-based funder** – focusing on the areas near our renewable development sites and the specific needs of the communities within these areas.



**Focused on communities** – we know local people are the experts of their own area and we will work with them to provide flexible interventions. Funding decisions are made by local community trusts or panels of local people.



**Lasting legacy** – we focus on what communities need now and in the future. We aspire to ensure that communities are left in a sustainable position after our interventions.



**Flexible funding** – understanding that the environment around projects can change. We respond quickly to emerging local issues. We deliver funding for core personnel and to organisations with the opportunity to innovate and develop.



**Transparency** – we will treat communities with respect and provide honest, open, and meaningful engagement at all stages of our relationships with them. We ensure we are inclusive of all the community



**Good governance** -we commit to an approach which builds trust with communities and uses proportionate management approaches.



**Social impact** – we commit to using proportionate and meaningful measures to report on our impact against the UN Sustainable Development Goals and on our sustainability commitments

# Investing in Communities

Once an area of benefit has been identified, a dedicated Community Investment Manager will support the community and help them set up a process that works for them. This includes supporting:

**Nominated representatives** – we will work with the community to identify who will lead the discussions on their behalf e.g. the community or parish council. We will also provide regular updates to the wider community.

**Level of investment** – SSE Renewables Community Benefit Policy follows government guidelines for the country in which a renewable asset is based. We will provide full transparency on the level of investment for the local area, for example, for new onshore wind farms in the UK, we provide community benefit of £5,000 per MW, index linked to CPI, with £2,500 per MW allocated to the local fund(s) and £2,500 per MW to a regional fund.

**Area of Benefit** – we will ensure that our approach to determining an area of benefit for local funds, and the allocation of funds across the communities within that area, is consistent and fair, considering the relevant impacts and duration of those impacts from the development. This includes time limited impacts (such as construction and transport disruption) as well as impacts throughout the life of the asset.

**Focus of investment** – we will work with the community representatives to discuss different models that the community could utilise to manage their investment. Examples of these models are shown on p4-7.

**Community consultation** – we encourage communities to consult with residents on what the local needs and priorities are and how the new community investment should be focused.

**Agreeing the approach** – when the community and SSE Renewables have agreed how the funding should be delivered, we will sign an agreement so that all parties are aware of their commitments and responsibilities.



# Models of Community Investment

## Local panels

Many communities choose to open a community fund where local not for profit groups can apply for grants. Supported by the Community Investment Manager, they establish a decision-making panel of local representatives who will identify local priorities for the fund and how often they will meet to review applications. Local panels can be a positive model for community investment as they are experts on the local area and can respond quickly to emerging local needs.- Panels should be inclusive and diverse in order to reflect the community they represent.

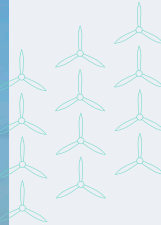


**Clyde community meeting in South Lanarkshire.**



## Scholarships

Many communities are keen for local young people to have the best chance in life and recognise the significant cost for further education, particularly those from rural or deprived areas.. Some communities choose to establish scholarship programmes to provide opportunities for local students.



**60 scholars from the North East England and Yorkshire are supported by an investment from the Dogger Bank Wind Farm**

## Models of Community Investment continued

### Regional Funds

SSE Renewables can help communities set up funds which operate across wider regions. These funds can help focus on larger, transformational projects which deliver across wider regions e.g. skills programmes and energy efficiency projects. Regional funding decisions are made by a panel who have expertise on the issues faced including economic development and regional skills shortages.



**£300,000 investment was provided by the Sustainable Development Panel in the Highlands to fund a community-owned hydro project on the Isle of Raasay.**

### Enterprise Funds

Some communities wish to use the funding to support local social enterprises and micro businesses. The funding can help fragile local economies by providing investment into initiatives which are key to helping the local economy thrive. The funding primarily focuses on how to support these groups with advice and guidance including facilitated networking and business planning training but can include small grants for equipment in specialist situations.



**The owner of the Aran Bakery in Dunkeld was too young for a business bank loan and received a small grant from the Griffin Enterprise Fund to purchase start up equipment.**

## Models of Community Investment continued

### Local Trusts

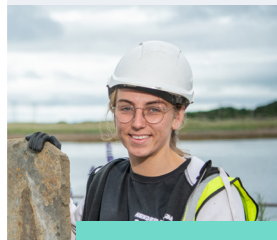
Often communities are looking to take forward specific projects linked to their local action plans from building more community owned housing to improving local transport options. For many communities, the best mechanism to take these projects forward is to authorise a local Development Trust to administer their community investment. The Trust often provides both the local knowledge and project management expertise to implement transformational projects in the local area.

**Fort Augustus and Glenmoriston Community Company used a £1.2m investment from Wind Farm to build 12 eco-friendly community owned homes.**



### Apprentice Programme

One of the most common areas identified as a priority in community investment is ensuring there are opportunities for young people to stay within their local community. Establishing high quality apprenticeship schemes has been a successful way to develop opportunities for young people. The apprenticeship programmes are primarily managed by local skills organisations who match young people with local businesses. Not only does the young person gain excellent training but the business gets the capacity to grow.



**A roofing apprentice from the Gordonbush Apprenticeship programme.**

## Models of Community Investment continued

### Participatory grant making

Some communities want to involve all residents in how funding should be allocated. Participatory grant making devolves the decision making process so a collective choice is made, usually through a community vote. This approach can build cohesive communities and provide more informed decision making as it considers a wider range of views.

**The Moffat participatory event in 2017 awarded £165,000 to local projects.**





# SSE Renewables eligibility criteria

Whatever the funding model, the SSE Renewables eligibility criteria is consistent. We aim to make it as easy as possible to access our funding.

## Who can apply?

- A legally-constituted community group;
- A non-profit organisation;
- A registered charity;
- Students are able to apply for our scholarship and apprenticeship programmes;
- Some micro businesses will be eligible for support from enterprise funds, or businesses can also apply for support through the apprenticeship schemes.

## We can't support projects which:

- Have a political or religious purpose;
- Are the statutory responsibility of statutory authorities;
- Have a purpose that is adverse to SSE Renewables interests or is likely to bring SSE Renewables into disrepute;
- VAT costs that can be recovered;
- Involve retrospective funding (costs incurred before a funding decision is made);
- Are anti-renewable energy



**In 2022, SSE Renewables provided £1.5m community investment to support community projects who are supporting the net zero transition.**

# Building community capacity

A key focus for our funds is improving the capacity of communities so that they have a sustainable future once the period of funding ends.

## Examples of this can include:

- Facilitating joint working across communities and projects;
- Encouraging links between projects and key stakeholders e.g. tourism bodies, skills agencies;
- Hosting best practice events to provide opportunities for projects to share learning;
- Requesting submission of project sustainability plans and providing constructive feedback;
- Supporting project sustainability planning;
- Providing awareness of self-financing and income generation mechanisms.

**A community learning event hosted by Clyde Wind Farm.**



# Evaluating impact

Understanding the impact, success and learning of our funding is a vital element of what we do. Evaluation not only helps the funded project to provide evidence to help secure funding from other sources, but it can also help the wider community to understand the benefit of community investment. Our evaluation doesn't only focus on what went well but it also identifies learning of what we can do differently in the future.

## Case study: Evaluation of Beatrice Community Fund

The Beatrice Wind Farm is an 84-turbine offshore wind farm in Scotland and we operated a £6m community investment programme over a five-year period from 2016. We completed an evaluation to understand the impact from the funding. It highlighted that 361 projects were funded, 73 rural jobs supported and 64 community assets enhanced. 91% of projects funded were still supporting their communities as of 2022 and 100% of recipients would recommend offshore community funds to other communities. The evaluation highlighted the need to allow communities time to develop their ideas, and the importance of being flexible to changing situations.

