

SSEN Transmission Community Benefit Fund

Feedback on Engagement (3 July – 13 August 2023)



Scottish & Southern
Electricity Networks

TRANSMISSION

About us

At SSEN Transmission, we are responsible for the electricity transmission network in the north of Scotland, maintaining and investing in high voltage 132kV, 220kV, 275kV and 400kV electricity transmission infrastructure.

Our network consists of underground and subsea cables, overhead lines on wooden poles or steel towers, and electricity substations. It extends over a quarter of the UK's land mass, crossing some of its most challenging terrain and powering our communities by providing a safe and reliable supply of electricity. We do this by taking the electricity from generators and transporting it at high voltages over long distances through our transmission network for onward distribution to homes and businesses in villages, towns and cities.

Scotland's transmission network has a strategic role to play in supporting delivery of the UK's Net Zero target. We are already a mass exporter of renewable energy, with around two-thirds of power generated in our networks area exported south. By 2030, the north of Scotland will need 22GW of renewable energy capacity, increasing to 45-50GW by 2050 to support net zero delivery. For context, we currently have just over 9GW of renewable generation connected in the north of Scotland.

We are committed to inclusive stakeholder engagement, conducting regular external assurance audits on both our Stakeholder Engagement Strategy and delivery plans and were recently awarded 'Advanced' status by AccountAbility, the international consulting and standards firm.



Find out more: www.ssen-transmission.co.uk

Executive summary

In July 2023, SSEN Transmission launched a six week consultation to seek views on plans for a community benefit scheme, the first of its kind for a Transmission Owner.

Over 135 organisations and individuals gave feedback on our proposal to set up a Community Benefit Fund. Responses have been informative and constructive, building on earlier informal feedback from communities, local authorities and other stakeholder groups.

Responses have been rich in terms of sharing on-the-ground experience and generous in their desire to achieve the best possible outcome for communities who fall into the proposed scope for the fund; the wide range of views reflects the distinct communities of the north of Scotland.

Stakeholders have supported the need for the establishment of a Community Benefit Fund with 72% of respondents being in support and between 61-65% being in support of all the proposals set out in the consultation.

The majority of those who did not agree with propositions went on to provide alternative

suggestions with supporting rationales, generally focusing on widening the scope criteria to incorporate additional thematic areas or providing suggestions for ensuring transparent management of the decision-making process.

Other responses sought clarification around some of the descriptions used in the consultation questionnaire and we will need to ensure, in particular, our definitions of 'local', 'north of Scotland' and 'wider impact' explicitly describe their intended scope.

We will now refine our Community Benefit Fund plan framework in anticipation of the UK Government's recommendations and guidance following their recent consultation, [Community Benefits for Electricity Transmission Network Infrastructure](#), which is expected in late 2023. Subject to the UK Government's recommendations, we intend to formally launch our Community Benefit Fund in 2024.

Introduction

We believe community benefit for local communities hosting new large transmission infrastructure projects is vital to the success of the net zero transition.

To inform this position, we reviewed third party reports on community benefit, considered best practice from other areas of the energy sector and practices in other countries. We also engaged directly with stakeholders.

We first engaged with stakeholders on this topic in February 2023 at an event which sought views for our next regulated business plan.

This report summarises the feedback from the consultation that took place in summer 2023 which specifically focused on proposals to develop a community benefit fund.




MAIN NORTH OF SCOTLAND ELECTRICITY TRANSMISSION NETWORK IN 2030

In-flight Investments

1. Argyll 275kV strategy
2. Fort Augustus to Skye 132kV upgrade
3. Orkney 220kV AC subsea link

Pathway to 2030 Investments

- 1a. Beaulieu to Loch Buidhe 400kV reinforcement (BLN4)
- 1b. Loch Buidhe to Spittal 400kV reinforcement (SLU4)
- 2a. Beaulieu to Blackhillock 400kV double circuit (BBNC)
- 2b. Blackhillock and Peterhead 400kV double circuit (BPNC)
3. Beaulieu to Denny 275kV circuit to 400kV (BDUP)
4. East Coast Onshore 400kV Phase 2 reinforcement (TKUP)
5. Spittal to Peterhead 2GW HVDC subsea link (PSDC)
6. Peterhead to Drax 2GW HVDC subsea link (E4D3)
7. Peterhead to South Humber 2GW HVDC subsea link (E4L5)
8. Arnish to Beaulieu 1.8GW HVDC link
9. Aquila Pathfinder

-  New Infrastructure (Routes shown here are for illustrative purposes)
-  Upgrade/Replacement of Existing Infrastructure
-  Existing Network



Engagement process

As part of our business planning process we held an event with a broad range of our stakeholders in February 2023. Stakeholder feedback on the Community Benefit Fund proposal informed preparation for wider engagement with communities, organisations and regions most likely to be impacted by future network infrastructure development.

The principal purpose of this round of engagement was to:

- Identify and engage with new and existing SSEN Transmission stakeholders
- Inform these stakeholders of the intent to develop a fund
- Provide a voice for stakeholders and capture their feedback to influence the strategic direction of the fund's development
- Provide transparency and accountability in our decision-making

We used sources of local data along with early feedback from stakeholders to identify the proposed over-arching themes for the fund. The themes were identified through alignment with local area needs assessments, data provided through engagement with Local Authorities, as well as local and regional community planning reports. In addition, we carried out engagement with local community and third sector organisations and have drawn information from best practice examples from established renewable energy community benefit funds. This engagement provided the basis for the wider engagement undertaken in this consultation.

The themes set out in the consultation are intended to provide a guide to help define the types of project the fund will aim to support:

- **People** - focusing on skills, training, and employability
- **Place** - emphasising the community and culture of the North of Scotland.

Stakeholders, organisations and members of the community with an interest or possible interest in the establishment of a Community Benefit Fund were targeted to test our thinking. The aim of the engagement was to explore how best to establish a Community Benefit Fund that is able to respond to community needs and to provide tangible benefits to communities across the north of Scotland.

A wide range of stakeholders were invited to share their views on our draft proposals and a variety of channels were used to promote the consultation:

Over 2,000 stakeholders were invited to contribute to an online consultation

19 presentations to stakeholder groups ranging from Local Authorities to third sector organisations took place

Colleagues were encouraged to promote the consultation when engaging with stakeholders as part of day-to-day business activities

2,000 information leaflets were distributed

5 articles were published in print media

10 online articles published

Social media posts on SSEN Transmission's LinkedIn, Instagram and X (Twitter) accounts promoted the consultation

SSEN Transmission's website advertised the consultation prominently on the front page

Stakeholder participation

The consultation on our initial draft proposals was open for a six week period running from 3 July to 13 August 2023.

Four questions were asked with the opportunity to give more detailed feedback using a free text box.

1. Do you agree with SSEN Transmission's identified themes?
2. Do you agree with SSEN Transmission's proposed distribution model?
3. Do you agree with the proposed decision-making approach?
4. What other factors should be considered in the development of a Community Benefit Fund?

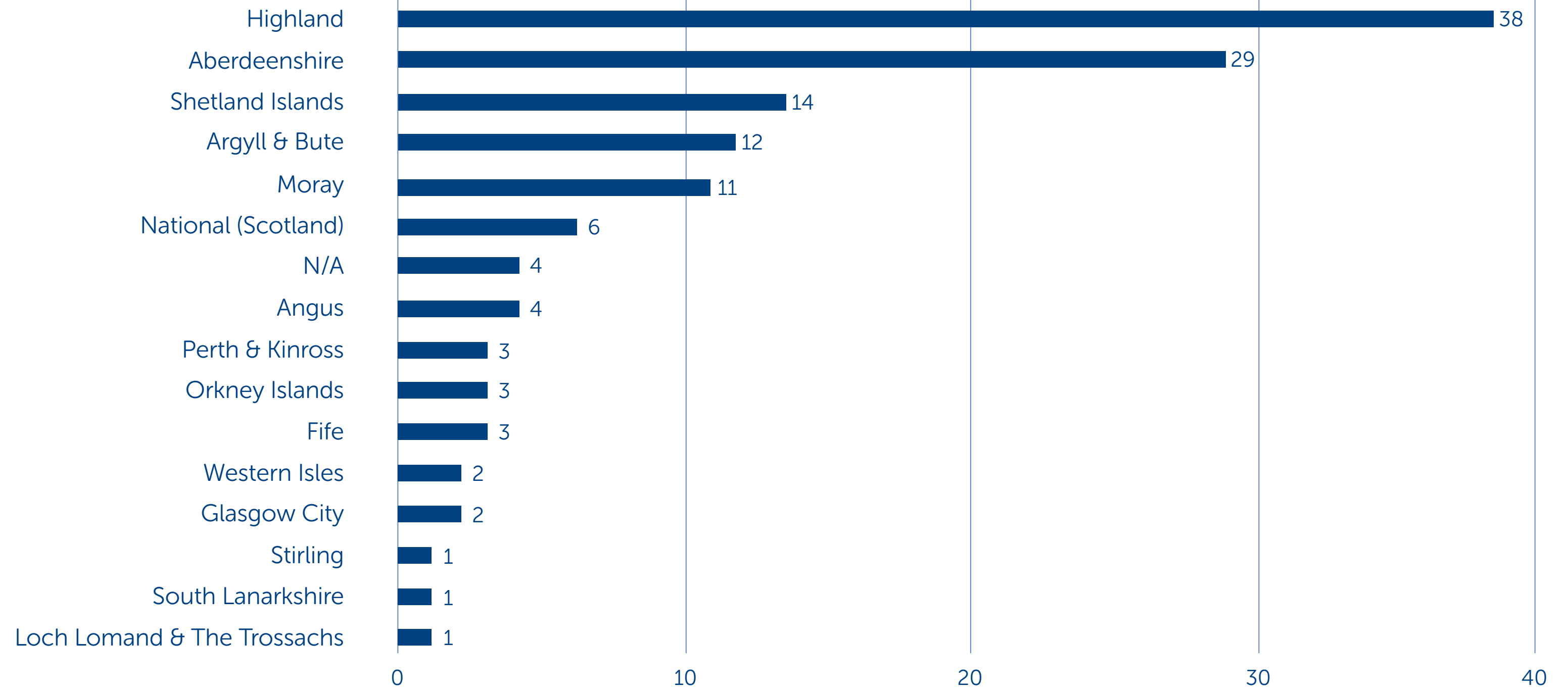
We received:

136 individual responses

14 Local Authority areas were covered

96 organisations / interest groups were represented

Response by Local Authority area



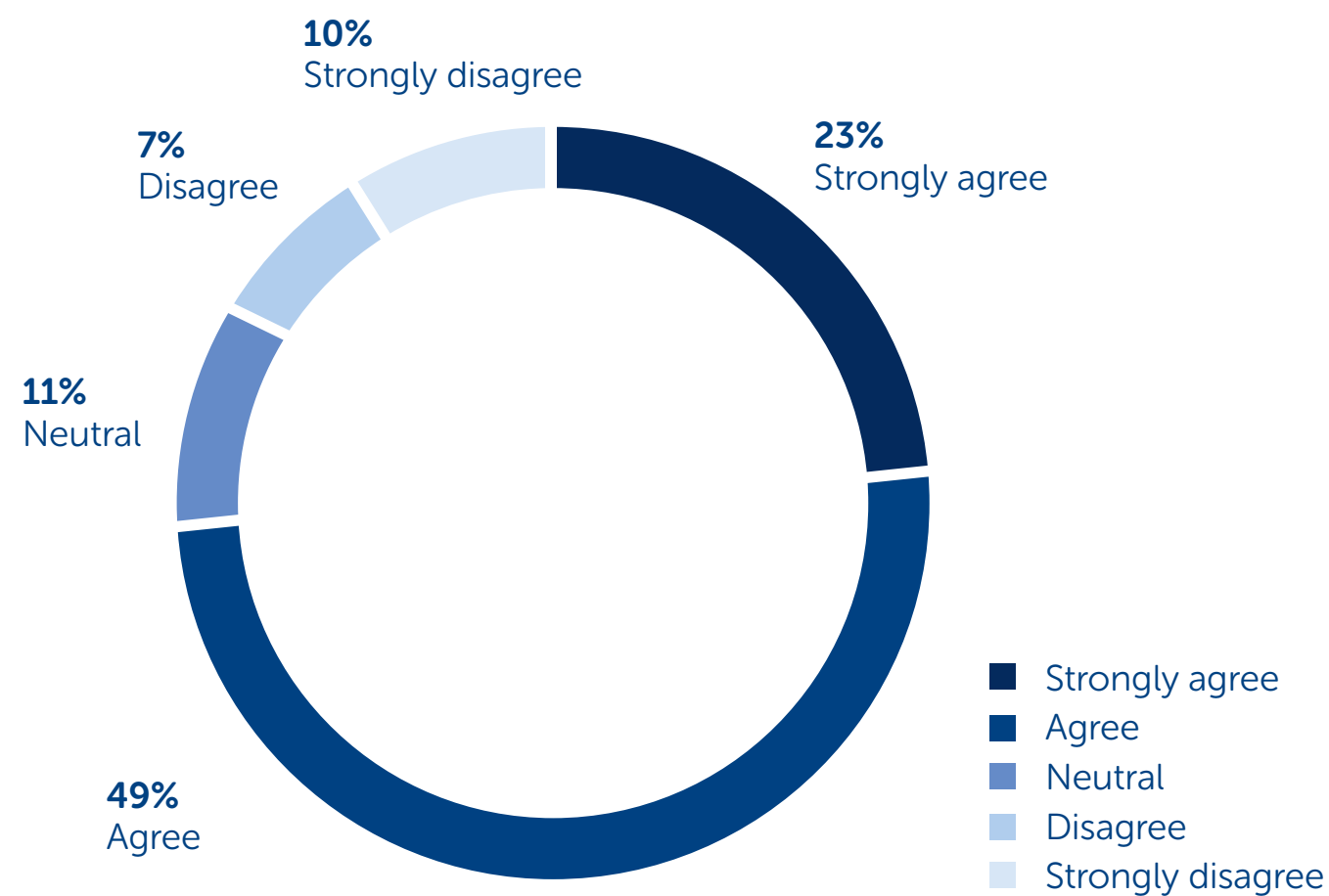
Feedback

Funding themes

We asked stakeholders for their views on our proposed funding themes:

1. **People** - focusing on skills, training and employability
2. **Place** - emphasising the community and culture of the North of Scotland

Do you agree with SSENT's identified themes?



72% of respondents agreed or strongly agreed with the two proposed themes, 17% disagreed or strongly disagreed and 11% of respondents were neutral in their view.

There was a broad range of feedback on what the fund should cover in addition to the proposed themes. Economic development featured heavily, including: employment; job creation; training and skills development and support for a [Just Transition](#); alignment and support of existing community frameworks; and business development and tourism.

The environment also featured, with biodiversity and nature, carbon reduction/climate change adaptation, and a focus on energy efficiency and community energy generation also having support.

Other feedback focused on communities and community facilities and infrastructure, highlighting topics such as: social isolation; poverty; access to affordable housing; travel and community infrastructure; sport and leisure facilities; and activities in support of good health and wellbeing.

The majority of those selecting 'disagree' or 'strongly disagree' were related to the scope of the fund; many felt that the communities affected should decide the themes most appropriate to their needs when deciding where funds are to be distributed and that there should be flexibility in the funding scope to allow for individual community-led projects. There was also a small minority (3 respondents) who were completely against infrastructure development in principle.

Feedback

Quotes

We asked stakeholders for their views on our proposed funding themes:

“In implementing the skills and employability theme, we would encourage SSEN to identify where the gaps in the current system are to ensure any funding agreed to these projects is truly additional.”

“The biggest threats to the future sustainability of our remote rural communities are depopulation, especially of economically active residents, and climate change.”

“Community led energy projects – including generation, heating, transport and storage projects - have tangible and long-lasting impact on communities.”

“Since the project will have a massive environmental impact you should consider supporting communities in their environmental ambitions. I realise that this could be covered under both themes but it would be worthwhile highlighting this.”

“This is an opportunity to take a more strategic approach with a view to leaving behind a legacy that is sustainable in the long term.”

“I would like to see the inclusion of heritage, the arts and mental health & wellbeing, all key areas which are underfunded and struggle to become funded as they don't meet the criteria, but are a great community need for all ages.”

“Transformational projects in our region must play a crucial role in driving investment in our future skills, economy, infrastructure and ensuring equitable quality and access to services.”

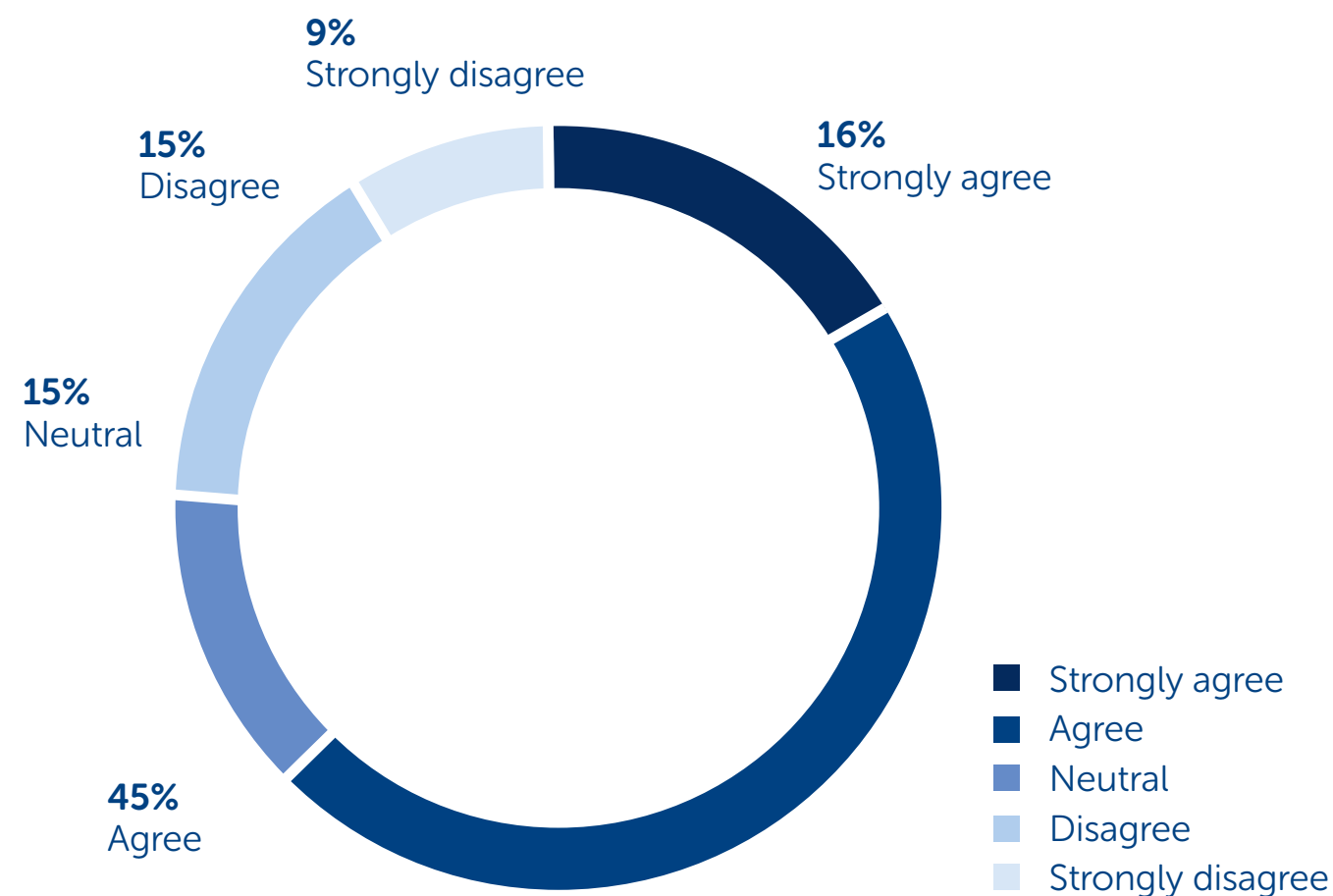
“Fuel poverty in the north of Scotland is the highest in the country despite the abundance of renewable energy. Projects that reduce fuel poverty levels or improve the health and wellbeing of communities should be supported.”

Distribution model

We suggested a distribution model intended to maximise the fund's impact and legacy, with a proposed allocation of 50% of the fund to be spent locally in the communities hosting new transmission projects; and the remaining 50% going into a regional fund, covering the entire north of Scotland, allowing for a wider range of projects to be supported.

We asked stakeholders if they agreed with our proposed distribution model:

Do you agree with SSENT's proposed distribution model?



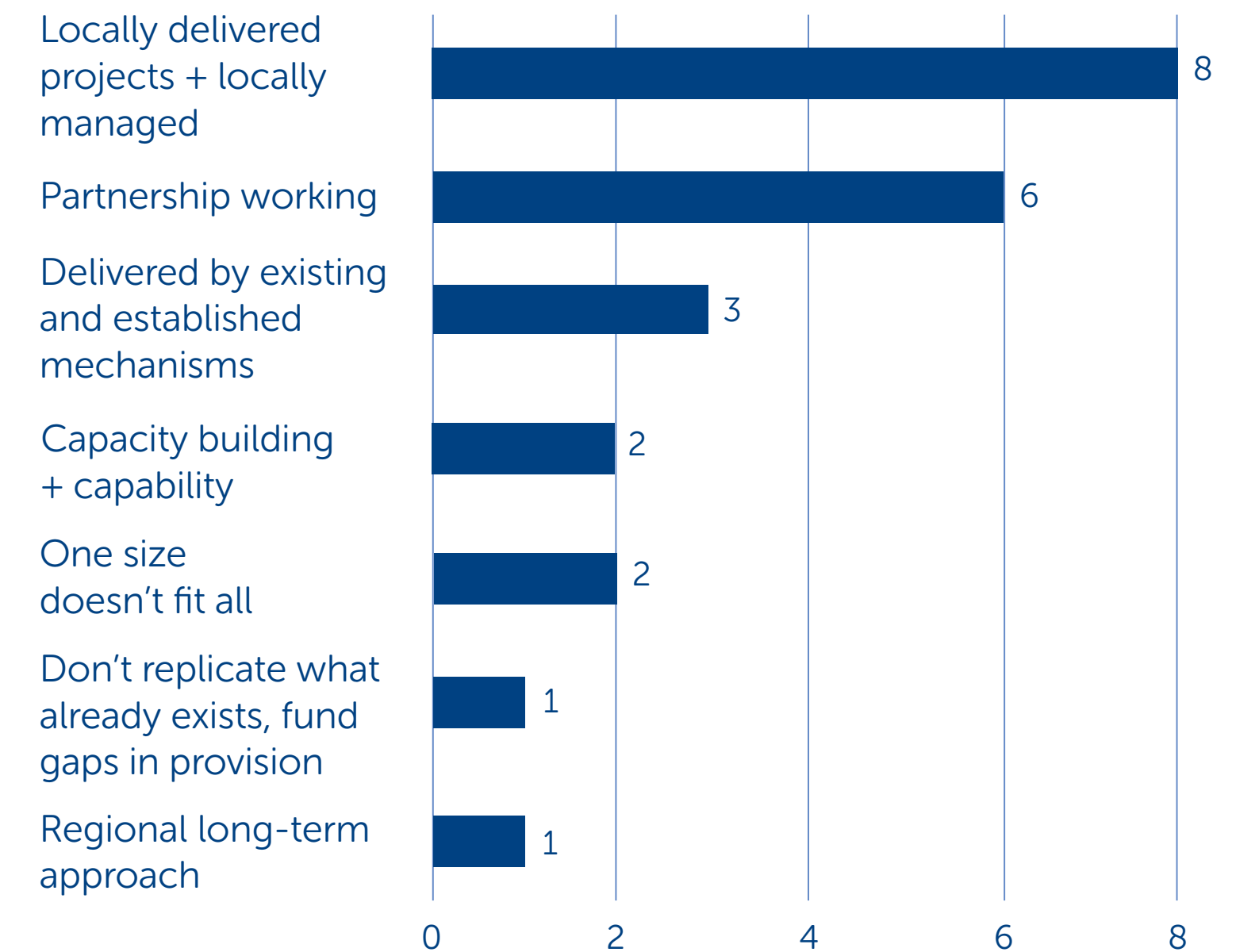
61% of respondents either strongly agreed or agreed with the proposed distribution model, with 15% remaining neutral and 24% either disagreed or strongly disagreed.

Written feedback was given on various aspects of the proposals, including the possibility of widening the thematic scope areas of the fund to broaden its reach and potential impact.

In terms of the proposed split between local community funds and regional community funds, a variety of suggestions were put forward by 49 respondents: 20 respondents suggested priority should be given to communities hosting transmission infrastructure; 16 respondents suggested communities should receive 50-100% of the funding; and four respondents thought the regional portion should be between 25-30%. The remainder put forward a variety of alternative suggestions.

Twenty-three respondents highlighted the delivery vehicles or principles they would like to see supported by the Fund. Eight respondents highlighted that locally delivered and managed projects would help embed projects in their communities, whilst others asked that partnership-working and the use of existing community delivery vehicles be supported which would lead to additional benefit and value creation.

Delivery vehicles/principles



Distribution model

Other feedback suggested that more consideration is needed around the definitions used within the consultation document, for example: “local”, “wider impact” and “north of Scotland”. It was also pointed out that some communities already receive funding from wind farm community benefit funds and that this should be taken into consideration when working up funding criteria.

Quotes

“Remote Communities Factor, eg, local communities would need to be looked at in a different way than larger cities’ communities.”

“Local communities within the North Highlands are diverse in scale, nature and challenges, the Fund should be acutely cognisant of this fact. It is essential that these funds are managed locally, with locally employed managers rooted within the community they serve. The Fund should aim to use established and well governed funds already operating within the area, rather than creating new.”

“Funding should be used strategically, specifically aiming to synergise with other local funds, co-invest with other funders and maximise local benefit from the fund. To achieve this capacity and capability development should be one of the goals of the fund.”

“The split of 50/50 between local and regional is supported, if the level of funding is at the correct level to be truly transformational and is significantly increased from current levels of community benefit.”

“Communities are perfectly able to work together on bigger projects if required. Danger of a regional fund is that larger organisations will absorb the funds.”

“This fund should compensate those areas affected not the general region.”

“A 50/50 split between a local and regional fund may disadvantage rural communities and see them lose out to larger towns and cities who do not have visual and other impacts from transmission infrastructure.”

Decision-making

The proposal is to establish local decision-making bodies to evaluate and decide upon applications to the local project funds. For the regional North of Scotland fund it is proposed that one independently chaired panel will make decisions, with SSEN Transmission having input.

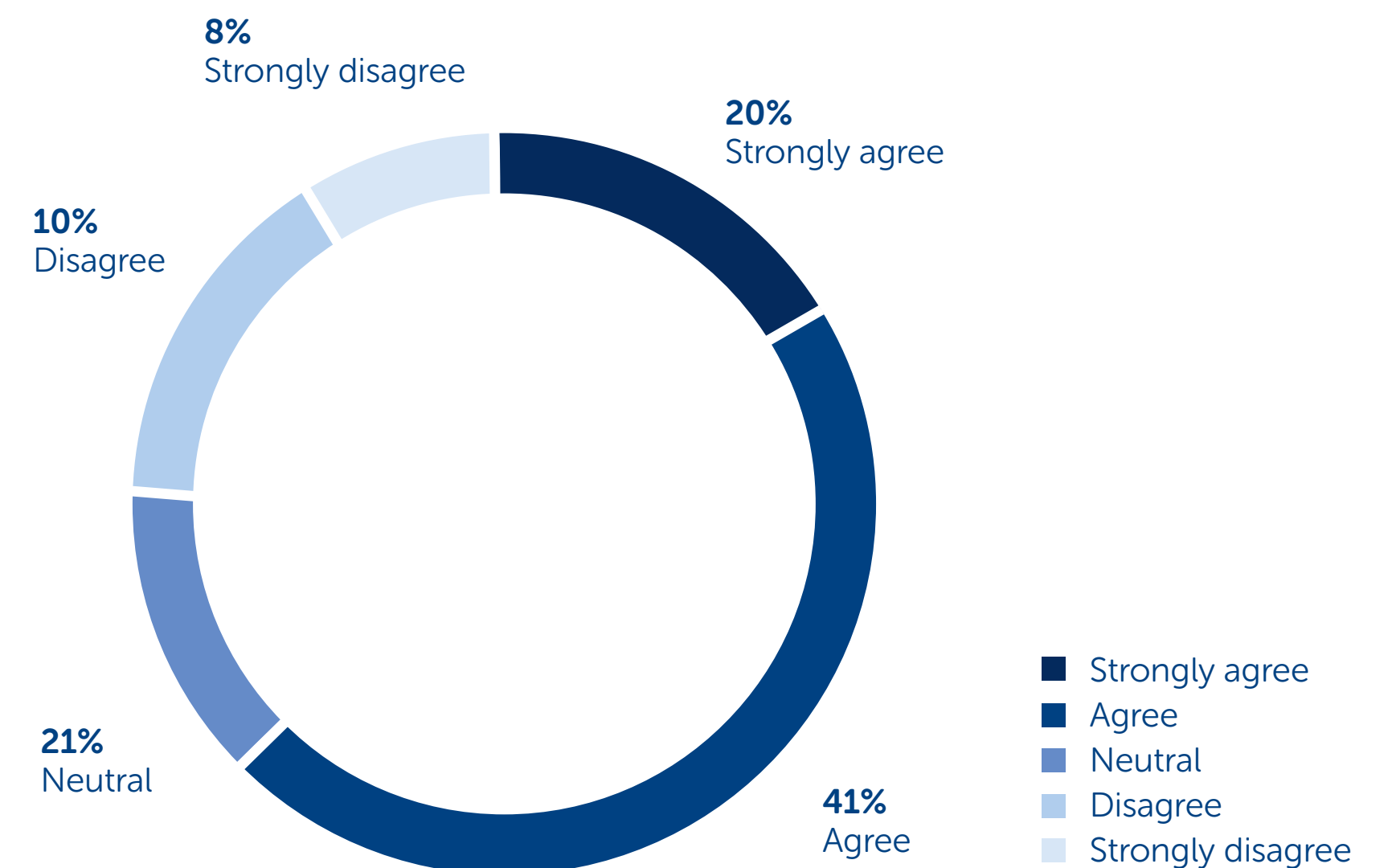
61% of respondents either agreed or strongly agreed with the suggested decision-making approach, 18% of respondents either disagreed or strongly disagreed, and 21% were neutral in their view.

Written responses highlighted alternative approaches and principles such as: ensuring community representation is at the heart of the decision-making process (16 respondents); panel members should be chosen on their skills, experience and local knowledge (12 respondents); organisational diversity should be encouraged in the choice of panel members which would provide a balanced decision-making process, with elected members, an independent chair and specialist partners also being considered for representation (10 respondents).

Eleven respondents highlighted the “north of Scotland” as being too large a region to be able to respond to the individual needs of communities across the region.

Other feedback related to the mechanism of managing the process, such as using a third-party organisation or an existing community foundation to manage the process (12 respondents) or using a local authority model (4 respondents). Beyond that, responses included references to ensuring a transparent process; providing capacity and capability support as part of the funding package to community-led projects; and having clear Terms of Reference for the panels.

Do you agree with SSENT’s proposed decision-making approach?



Decision-making

Quotes

“It is imperative that local communities are at the heart of decision making, they should be empowered and supported in this, with opportunity for skills development and building of local knowledge and expertise. Decision making boards should have diverse community representation.”

“It is vital that decision making is led by the local communities, supported by relevant stakeholders. To ensure maximum impact of the funds, where required, skills development and confidence building within the governance bodies and local communities should be encouraged and actively supported through the fund.”

“It should be noted though that this is a large, diverse geographic area of diverse communities with varying degrees of capacity. This makes it practically impossible to have a panel that is fully representative of the communities.”

“Smaller rural communities shouldn’t be overshadowed by more populated towns, pure number voting marginalises smaller rural areas.”

“Instead of setting up a new body it may be worth considering using established, constituted, community groups that are already in existence.”

“One panel for North Scotland will not know the particular issues facing communities throughout an area of about half of Scotland.”

“A one size fits all approach will not work and consideration has to be given to communities such as Kintyre that have been operating funds for over 20 years now.”

“This group should include representatives who understand the challenges individuals face locally, understand the needs of those who are looking to access training to gain employment as well as having access to local data. They should also understand what already exists to avoid duplicating.”

“The consultation document refers to local decision making, although it infers that this local decision making is on a north of Scotland basis. Most communities would not relate to the north of Scotland as a definition as local, so it would be useful to make clear the local and regional definitions in any further documentation. We are likely to agree or strongly agree with this proposal, if more local rationale is incorporated into the structure of decision making.”

“People who are not resident in affected areas should not be taking decisions that affect their lifestyles and livelihoods.”

“The extent of representation throughout Scotland is important. For example Aberdeenshire is a huge shire and one would hope that due consideration be taken into account.”

Other factors

As part of the consultation, we asked what other factors we should consider in the development of a Community Benefit Fund.

Scope

In terms of the scope of the fund, 12 respondents highlighted the opportunity to maximise benefit to communities through partnership-working or collaborating with existing organisations. This is seen as a way to help secure sustainability of projects. Accessibility to the fund by all was also mentioned by 7 respondents.

Prioritisation of directly impacted and deprived communities was seen as important by 7 respondents and 9 respondents suggested that permitting up to three years of funding for specific projects would further support project sustainability, as would core funding being permitted as part of a funding application (7 respondents). Provision of capability and capacity building support for community groups as part of wider provision was mentioned by 6 respondents.

There was also support for projects which support Net Zero objectives including environment and climate change adaptation (10 respondents), whilst others highlighted a focus on gap funding to avoid replicating existing provision. Others had questions about the size of the funding pot and the level of impact the fund might be able to have on communities once it has been distributed across the region.

Quotes

“Size of the fund and transparency of how it will be calculated. £10m can sound a lot but what percentage of project costs does this represent and what will it mean for each local area when divided across large sections of the north of Scotland.”

“We would encourage a focus on capacity building as part of the Community Benefit Fund where communities experiencing worse outcomes could gain professional support for the work they are trying to do.”

“Consideration should be given as to whether the community benefit fund could be used for capital costs, revenue or both. Would funding be restricted to a single year or could organisations apply for funding over a number of years to enable sustainability to be established?”

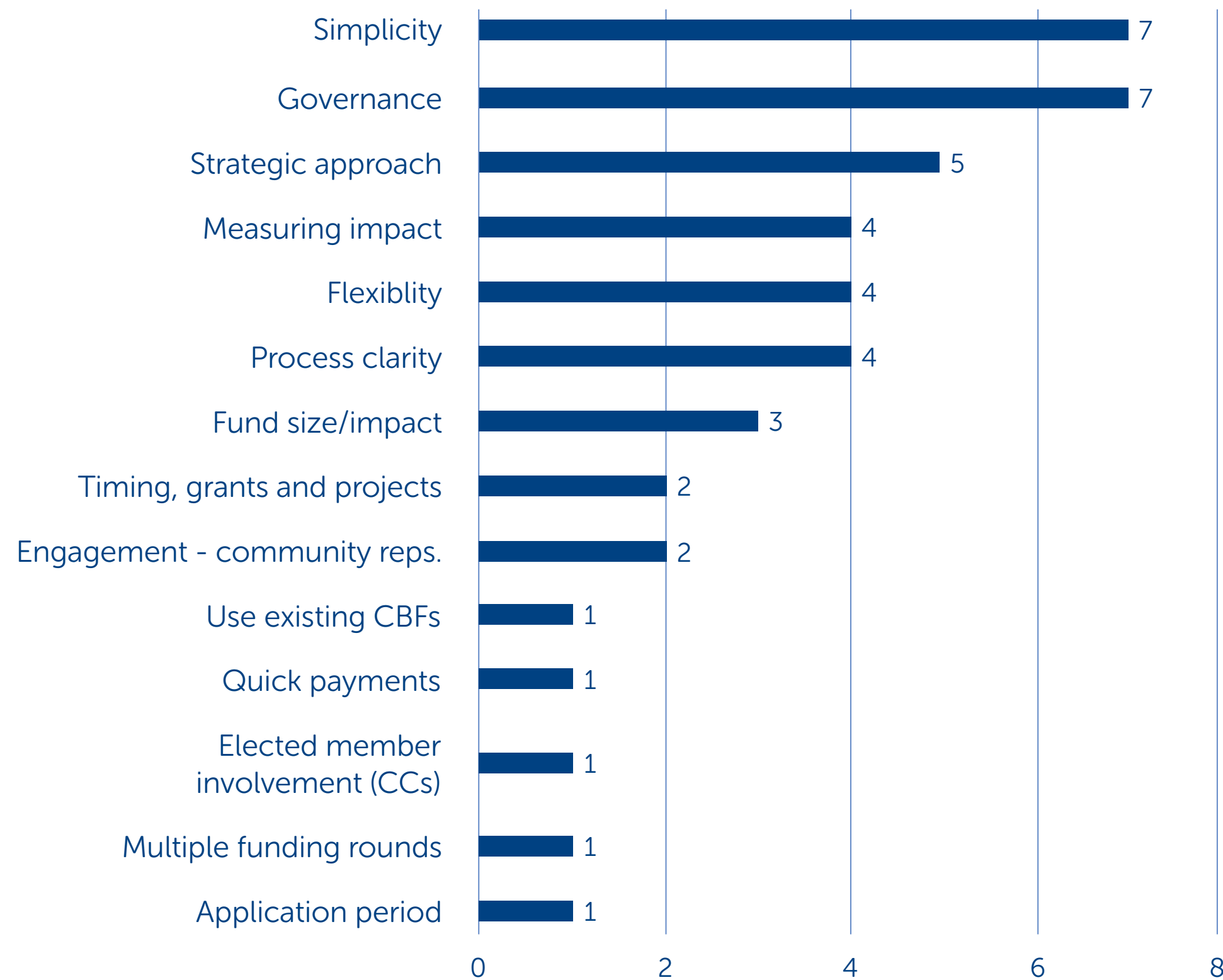
“It must be acknowledged that infrastructure can have different impacts on the community depending on the size of the location. Rural areas like Shetland feel the visual and social effects of infrastructure at a magnified effect than larger communities, and this must be factored into any community fund.”

“Please consider giving charities money towards running costs as well as tangible items. Charities are struggling to survive in the current economic climate.”

“It needs to be open to all organisations of all sizes in all areas in the Highlands particularly the specific areas that are impacted by SSEN projects.”

Other factors

Process



Several respondents highlighted the importance of how the fund is managed. Respondents asked for a simple process with funding that is sufficiently flexible to respond to individual project needs given the differing requirements of many rural communities. Added to this, respondents favoured a strategic approach to grant giving, which would have potential to maximise the impact of existing local plans.

Respondents also suggested multiple rounds of funding within a year, or providing sufficiently long application periods, to give community groups time to complete their applications, many of whom are small groups made up of volunteers.

Providing feedback on the number of beneficiaries and measuring the impact of projects was seen by some as ensuring that projects were needed and would benefit as many individuals as possible.

Quotes

“Simple processes for application. The recent move to online applications is broadly welcomed but some are so complicated that applicants often give up. Simple, pared back, systems that are trialled by non-specialists to ensure they are easy to use, will extend the reach of the fund.”

“With increasingly challenging fiscal situations, rising costs and other challenges, the need to coordinate and collaborate efforts across multiple funds and agencies has never been stronger. These concepts should be built into any funding mechanisms to ensure that synergy and collaboration maximises benefits across the region.”

“In view of the small amount - the ability to show how the funding will benefit in both subjective and objective ways.”

Conclusions

Stakeholder feedback on our proposal to set up a Community Benefit Fund has been informative and constructive, building on earlier informal feedback from communities, local authorities and other stakeholder groups.

Stakeholders have supported the need for the establishment of a Community Benefit Fund with 72% of respondents being in support and between 61-65% being in support of all the proposals set out in the consultation.

On closer analysis of the detailed feedback, most of those who did not agree or strongly disagreed with the proposition in question provided alternative suggestions with supporting rationales.

Feedback where stakeholders did not agree with the proposals generally focused on widening the scope criteria to incorporate additional thematic areas or provided suggestions for ensuring transparent management of the decision-making process.

Other responses sought clarification around some of the descriptions used in the consultation questionnaire, in particular definitions of "local", "north of Scotland" and "wider impact". Others were seeking more information on how widely the funding pot is likely to be spread and the methodology proposed for calculating this.

Next steps based on feedback

The feedback received during this consultation has provided valuable insight and represents a wide range of views reflective of the distinct communities of the north of Scotland. The feedback has been rich in terms of sharing on-the-ground experience and generous in its desire to achieve the best possible outcome for communities who fall into the proposed scope for the fund.

The feedback received will be invaluable in further refining our Community Benefit Fund plan framework and, where invited to do so in the responses, we will follow up with individual organisations to gather further insight as we wait for the UK Government's recommendations and guidance from their recent consultation, [Community Benefits for Electricity Transmission Network Infrastructure](#), which is expected in late 2023.

We aim to set out the timetable for launch of the Community Benefit Fund shortly, which will include a timeline for recruitment for the independent decision-making panel and for when we expect to launch the Fund.

In the meantime, we would like to thank all those who took the time to participate in this consultation and we look forward to following up with you in due course.

How to get in touch

If you have any questions about this report, please get in touch at community.benefit@sse.com

