



# Community Benefit and Shared Ownership

Response to UK and Scottish Government Consultations 2025

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# Summary of SSE consultation responses on community benefit and shared ownership

In 2025, SSE provided responses to the Scottish Government consultation on Good Practice Principles for Community Benefit and Shared Ownership and the UK Government Community Benefit and Shared Ownership for Low Carbon Technology Working Paper. We strongly support the ambition to ensure that communities meaningfully share in the value created by low carbon energy infrastructure.

SSE has voluntarily provided community funds for over 20 years, supporting more than 150 communities across Great Britain (GB) and delivering over £100 million in funds across the UK and Ireland to date. We also have extensive experience working with stakeholders and communities to identify shared ownership opportunities, which uniquely positions us to respond and help shape the best approach to delivering on the government's policy aims.

We believe there is a clear and necessary role for government to play in securing fair outcomes for both developers and communities. To that end, we recommend a four-part framework:

## **1. Mandated Community Benefit**

Government should mandate community benefit. That means the law should require in all cases that community benefit funds are available for appropriate technologies. However, it should be through guidance that values should be differentiated by technology type to reflect varying scales of impact and revenue potential. This ensures consistency and fairness, while allowing flexibility for developers depending on their circumstances.

## **2. Mandated Transparency**

Transparency must be a cornerstone of any future framework and therefore should be mandated. Asset owners should be required to disclose annually: a. The total value of community benefit provided; b. The administration costs involved; c. The geographic distribution of that benefit; and d. The specific projects or initiatives funded. This will build trust, enable accountability, and support informed community engagement.

## **3. Guidance-Led Normative Framework**

Beyond these mandates, we advocate for a guidance-based approach to implementation. This avoids unnecessary bureaucracy and allows communities and developers to co-design benefit structures that reflect local priorities. The Scottish Government's Good Practice Principles (GPPs) provide a strong model for this kind of normative framework—offering clarity and consistency without imposing rigid rules.

## **4. Shared Ownership Principle**

Shared ownership should develop as a foundation to a fair low carbon society. Action should be taken to remove barriers to community participation in low carbon infrastructure ownership including a focus on increasing community capacity and removing barriers to financial participation.

## Summary of Key Points

### 1. Get the design right: avoid market distortion

SSE recognises that a well-designed mandatory community benefit scheme could help establish a more level playing field, offering greater clarity and consistency for both communities and developers.

**However, if not carefully designed, a mandated approach risks distorting the market by introducing inflexible or disproportionate costs across different technologies and project types.**

That is why SSE proposes a mandated requirement for community funds, but with a lighter touch approach with the details provided through guidance.

### 2. Recognise economic dynamics and the investment climate

Introducing a mandatory scheme must also account for the commercial viability of low carbon energy projects currently in development, many of which are already on a knife edge.

### 3. Allow for differentiated fund sizes according to technology

A uniform metric applied across all technologies would fail to reflect the diverse economics, scales, and risk profiles of renewable energy developments. This could lead to unintended consequences - such as deterring investment in certain technologies or regions or increasing costs that are ultimately passed on to UK consumers. To avoid these outcomes, a framework for mandated community funds must be proportionate, and sensitive to the diversity of the sector. **SSE does not support a single, standardised metric applied across all technologies and urges government to work closely with industry to ensure any future framework supports affordability, investment, and community benefit in equal measure.**

### 4. Only well-established generation technologies should be in-scope

Mandated community benefit should apply only to well-established technologies—such as onshore wind, offshore wind, conventional hydropower, and solar power. Storage technologies (Pumped Storage Hydro and BESS) and nascent technologies, such as hydrogen and carbon capture, utilisation, and storage (CCUS), should be excluded, at least in the short term and until such technologies have evolved

### 5. Community-led decision making – with support provided

SSE's experience demonstrates that when communities are well supported, community-led fund decisions deliver a meaningful and lasting legacy. It is vital that this remains community-led, with priorities shaped through local and regional consultation. Clear guidance should be designed to safeguard community control and ensure that neither developers nor government bodies can direct decision-making or fund priorities. Guidance should support communities to implement a flexible approach based on local need.

### 6. Shared ownership shows promise, but barriers must be dismantled

SSE supports the principle of an appropriate shared-ownership model for low carbon infrastructure. Shared ownership should be considered separately, and in addition to, community benefit funds. SSE has delivered an element of shared ownership in Orkney and Shetland. However, challenges remain, particularly in terms of community capacity to engage in complex negotiations and access to affordable finance. These barriers are particularly pronounced for large-scale projects. While government should

consider 'a right to shared ownership', SSE's own experience is that even when a community has the right, too often they are unable to exercise that right, due to their inability to access very low-cost debt. Government should focus on enabling policies that reduce the cost of capital for communities and support capacity locally. This should be an urgent priority for GB Energy.