



Sustainable Development Fund

A DECADE OF SOCIAL IMPACT



Foreword

Scotland is the engine room of Britain's transition to a green economy, and it is important for our regions who are powering that transition to flourish as NetZero draws nearer.

For a decade, SSE Renewables has acted to ensure that investment in low-carbon infrastructure has a positive impact on those regions.

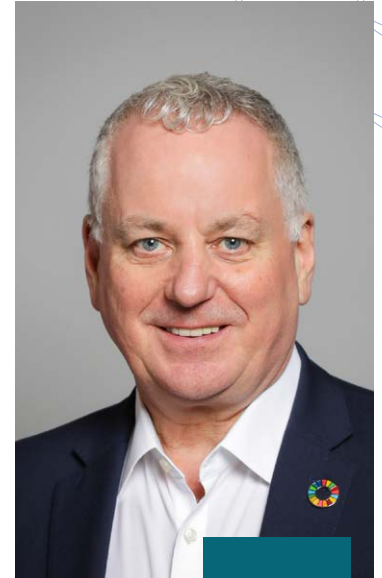
Its Sustainable Development Fund has invested 13,5 GBP in projects that are making a lasting difference to the social and economic development of communities across Scotland.

The Fund has helped communities overcome challenges; reducing extreme poverty, reversing depopulation, and delivering social support. The Fund has also enabled these rural areas to capitalise on their strengths, from enhancing biodiversity to increasing skills and celebrating local cultural heritage.

I have been really impressed by the way that people across Scotland have adapted and embraced the transition to NetZero, and I am sure that the Sustainable Development Fund will continue to empower and improve communities across the country in the years to come.



Lord Jack McConnell
Chair,
Sustainable Development Fund



SSE Renewables is focused on providing the infrastructure needed for cleaner, more secure and more affordable energy system. This is no small undertaking and it will take time, but along the way we are determined to make a positive difference to the economic, social and environmental fabric of the regions in which we operate.

We were the first renewables developer to establish a significant community investment programme in Scotland and, 10 years on, our current commitments mean we will invest £260m from our existing Scottish assets, including £58m through the Sustainable Development Fund. This figure is set to grow as more renewable assets come on-line.

We have developed funding principles that provide funding early in the life cycle of projects and help communities make real and lasting change in their local areas. I am proud that 96% of projects supported by the Sustainable Development Fund are still in operation and making a positive difference to people's lives.

And as we move to international markets, we are pleased to share the experience from the Sustainable Development Fund as a flagship of what communities in other parts of the world can achieve with renewable investment.



Stephen Wheeler
Managing Director,
SSE Renewables

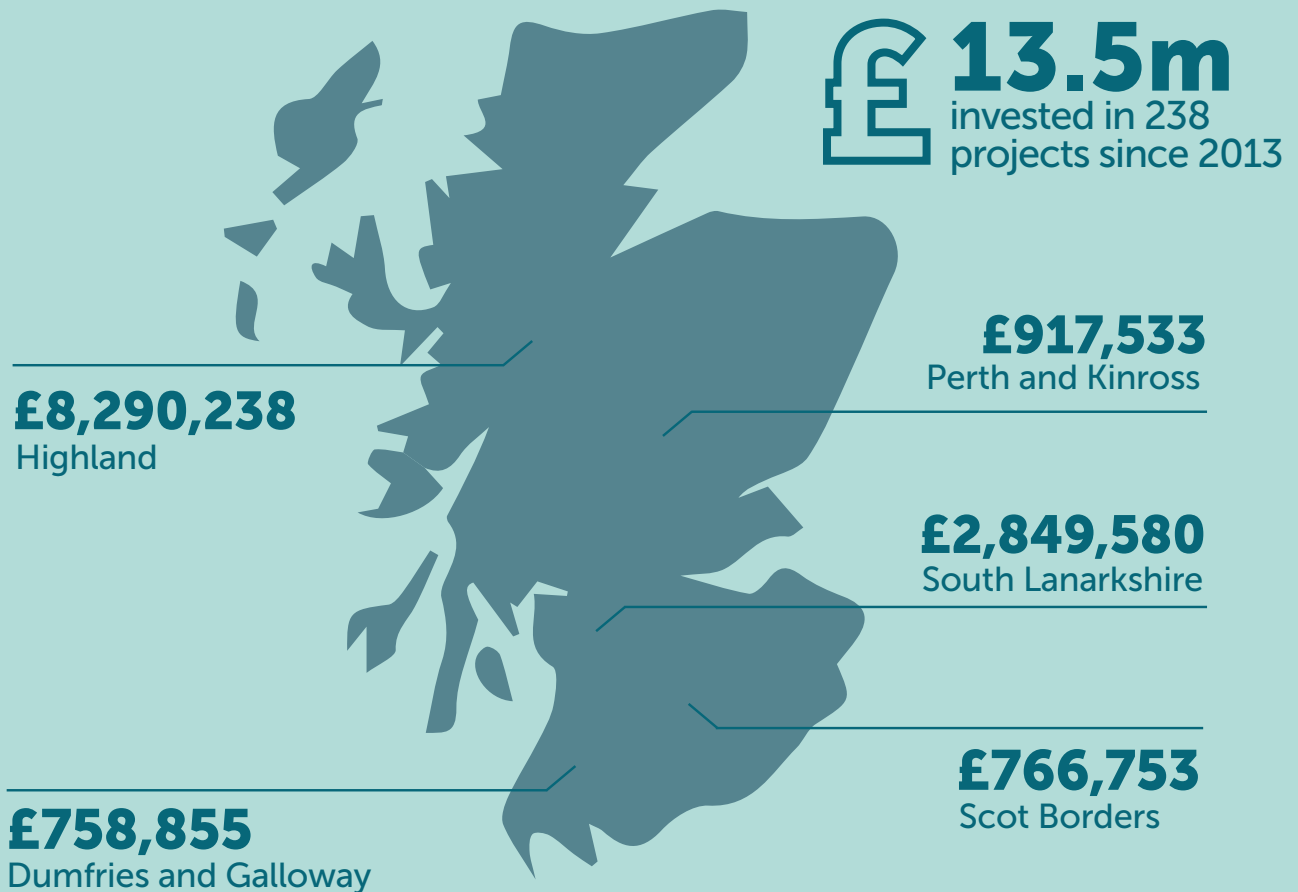


Day 1 was awarded £125,000 in 2016 to purchase a race track facility and develop a youth employability programme.

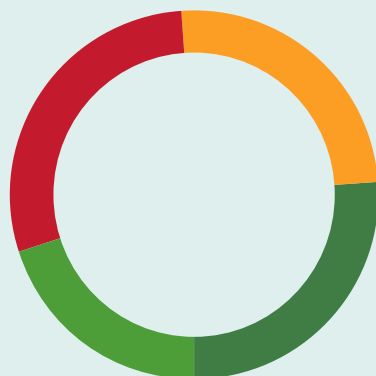


Sustainable Development Fund

SSE Renewables established the Sustainable Development Fund to help share the benefits of its onshore wind farms with regional communities beyond those closest its renewable assets. The fund typically provides an investment of £2,500 per MW of capacity from onshore wind farms to Highland, South Lanarkshire, Perth and Kinross, Scottish Borders and Dumfries and Galloway local authority regions. This is in addition to direct support for communities nearest to SSE Renewables' wind farms.



Investment priorities



96%

of projects funded still operating and providing a positive difference for their community.

£10.95 in wider value created from every £1 of community benefit investment

Funding Priorities

supporting communities to prepare for a low carbon future.

Creating opportunities

Funding education and employment through activities that develop skills and improve an individual's chance of entering the workplace.

Empowering communities

Enabling communities to become more resilient through projects which demonstrate long-term social, environmental or economic improvements.

Sustainable places

Stimulating regeneration to improve or enhance local infrastructure, landscape, biodiversity or heritage.

Net Zero

Funding decisions

Decisions on awards from the fund are made by an expert panel to ensure the projects supported are those likely to provide a legacy in each region. The panel focuses on projects that feature clear evidence of need, community involvement, and financial viability, and which offer long-term positive impact for the region.

The Sustainable Development Fund panel members are: Lord Jack McConnell, Professor Jan Bebbington, Damien Yeates, Professor James Hunter and Stuart Hood.



From left-right: Prof. Jan Bebbington, Lord Jack McConnell (Chair), Stuart Hood and Prof. Jim Hunter (missing Damien Yeates)

Measures of success

SSE Renewables uses a range of recognised impact approaches to measure the success of its funds. The projects supported by the Sustainable Development Fund have enabled the following impact:

2,024KW 
of renewable energy

95 
community assets enhanced


119 local jobs supported


28,189
people with increased skills

55 
community-owned houses built

Social Return on Investment

£10.95 in wider value created from every £1 of community benefit investment

SSE Renewables know it is very important to ensure the Sustainable Development Fund makes an impact. One of the ways we ensure this is with Social Return on Investment (SROI).

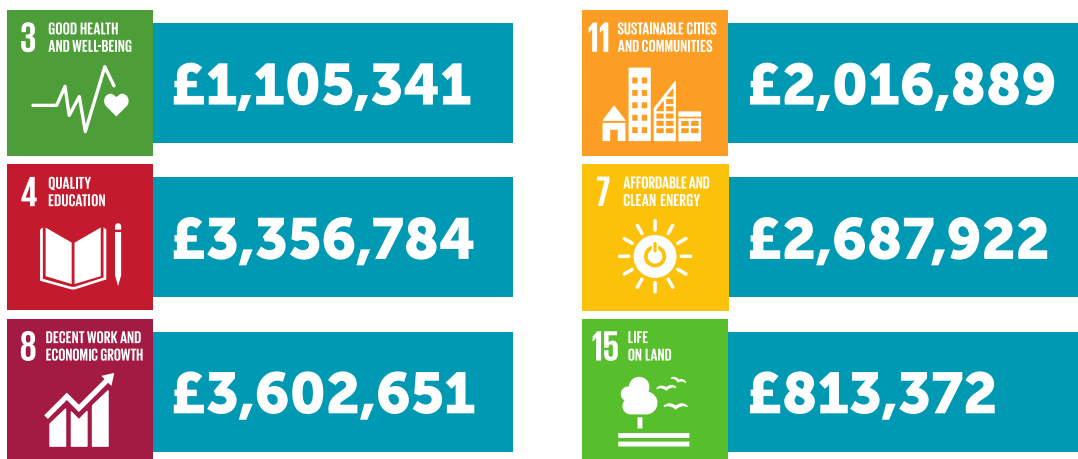
SROI is a method of accounting for value creation, primarily social or environmental value. SROI enables groups to measure and ascribe a financial value to the change that is being created through an investment by tracking relevant social, environmental, and economic outcomes.

SSE Renewables commissioned New Economics Foundation Consulting to develop a SROI approach and methodology which analysed the impact of seven projects funded by the fund. The study found that for every £1 of community funds spent, the community projects are expected to generate £10.95 in wider value for society. The projects were selected to represent the key themes of the funding and included a community hydro project, an apprenticeship programme, a skills programme and a museum development.

For more information on the methodology used for this assessment, please refer to the methodology document at www.sse.com/sustainability/reporting.

Alignment with UN Goals

In line with international best practice on evaluating the impact of renewable assets, SSE Renewables measures the impact of its community funds against the UN's Sustainable Development Goals (SDGs). The SDGs are a blueprint for peace and prosperity for people and the planet, now and into the future. Working to meet the SDGs helps build a strong and healthy society which is mindful of the environment, promotes personal wellbeing and builds fair economic growth. All investments made by the Sustainable Development Fund have been evaluated against the SDGs since 2013 and show positive activity towards the following goals.



The community view

A key focus for the Sustainable Development Fund is investing to ensure a lasting legacy for communities. SSE Renewables conducted an anonymous survey of past recipients of the Sustainable Development Fund to understand the impact the fund had had on their communities.

The survey had **60** respondents and showed that **96%** of funded projects were still operating and creating a positive difference for their communities.

The Sustainable Development Fund can support projects at an early stage in their development and there is flexibility around when the funding is used. This has helped **86%** of projects to secure additional funding from other funders.

SSE Renewables aims to be a supportive funder and it offers a range of learning initiatives for grant holders, from networking sessions to impact training. The success of this approach is demonstrated by **91%** of projects stating that the support and guidance they received from the Community Investment Manager was very good.

The Sustainable Development Fund aims to be an accessible and supportive funding source. **100%** of organisations said they would recommend the Sustainable Development Fund to other communities.

"The SSE Sustainable Development Fund has been an excellent funder to work with. They are very supportive, understanding and easy to communicate with, which is hugely appreciated. It makes a huge difference when a funder sees the value of your project and supports you to deliver it." **Anonymous survey response**

CASE STUDY

Investing in thriving communities

£5.3m invested in 89 projects
119 local jobs supported

When the Sustainable Development Fund was created one of the central themes was empowering communities to ensure they have the facilities and services they need to thrive now and for the future. A deciding factor in funding allocation is therefore evidence of community involvement in the development of the project for which investment is being sought, to ensure this reflects the ambition of residents. The fund has donated to a range of community initiatives from community asset transfers, community broadband, renovating community hubs to providing services during the pandemic.



LEAP, in South Lanarkshire, is a key community organisation that specialises in supporting older people and inter-generational learning. A £67,000 donation from the Sustainable Development Fund enabled LEAP to transform a derelict restaurant and retail site into a thriving hub with a café, re-use and recycling services, a community garden, and a calendar of over 400 training activities every year.

8 DECENT WORK AND ECONOMIC GROWTH



Re-invigorating derelict sites

£174,456 donated from the Sustainable Development Fund

After the police station in Dornoch, Highlands, was left derelict the site was purchased by Dornoch Area Community Interest Company (DACIC) in January 2020 through a community asset transfer. The community were extensively consulted to ensure the site hosted the facilities needed by residents now and for the future.

The now-renovated building focuses on supporting the local economy and provides for offices, workshops, and a creative studio for 16 local businesses. A flexible conference and meeting room is used for a youth club, a coding club, healthy eating sessions and dementia inclusive craft workshops. A key priority of the local community was achieved through a new health and well-being hub with a fully equipped gym, which delivered 6,447 sessions in the first year of operating.

The site also meets the need of the growing local tourism industry with a visitor centre incorporating a multi-use exhibition space. It also addresses a shortage of local rental accommodation by hosting a multi-occupation house which can be used to provide high quality housing for hospitality staff.

Advice for others

Employ professionals - We started off by getting funding for a Community Development Manager whose job it was to apply for grants, which helped us secure £1.5m over 34 months.

Asset transfer - Keep an open mind about potential uses of the redundant building you are taking over, and involve an architect to explore options and create 'visuals' as well as floorplans.

Community involvement - Share your plans with the community for feedback and be willing to change your plans if better ideas come forward.

Joan Bishop, Dornoch Area Community Interest Company



CASE STUDY

Investing in culture and heritage

£2m invested in 32 projects
1m tourists a year attracted to venues

Scotland has a rich culture and history and is a growing beacon for domestic and international travellers, with Visit Scotland figures showing over 12m visitors to the Highland region each year. Rural communities are looking to identify how they can capitalise on tourism opportunities in a way that is inclusive of the needs of local residents. Relevant projects supported by the Sustainable Development Fund include the restoration of derelict buildings for use by creative industries, supporting cultural provision to move to a net zero future, and new visitor destinations.



New Lanark World Heritage Site in South Lanarkshire is the premier tourist destination in the south of Scotland. A £180,000 donation from the Sustainable Development Fund enabled the site to purchase an electric bus to transport visitors from Lanark bus and train stations. This zero emissions service helps reduce the carbon footprint of the site by encouraging visitors to use public transport.

Showcasing Highland heritage

£100,000 donation from the Sustainable Development Fund



The community of Gairloch in the western Highlands recognised that they had unmet tourism potential. Their main attraction, Gairloch Museum, was located in a small, rented and environmentally unsuitable premises which lacked even basic visitor facilities. During a 10-year period the trustees devised, developed and implemented an ambitious programme to build a new state-of-the-art museum complex which created local jobs from a financial sustainable operation, and contributed significantly to the regeneration of the village.

The Sustainable Development Fund was the first funder of the project and this early support helped to build momentum, with 20 different funding sources secured. The state-of-the-art museum opened in 2019 and is a hub for the local community providing a thriving café, retail facilities and meeting space. The site helped create 11 new local jobs and has attracted 11,000 people to the region.

Advice for others

Community Involvement - it is vital you involve the community from the start and throughout. The museum gave fortnightly updates in the local paper, hosted consultation events on display themes, provided annual mail-outs to every home and a dedicated page of their website.

Patience - understand that large cultural attractions take time to develop and implement and ensure your board and community are prepared for the journey. It took the museum 10 years to achieve their goal.

Resources - be prepared for the time and resource needed to secure funding. The museum needed 18 months of intensive fundraising.

Dr Karen Buchanan, Curator, Gairloch Museum

Supporting a net zero future

7 AFFORDABLE AND CLEAN ENERGY



Gro for Good received a donation of £75,000 to establish an innovation campus in Tain, Easter Ross. The project built a 'mini-Eden project' dome which will provide information on consumer issues and spur behavioural change surrounding food and drink in relation to net zero. The project demonstrates the benefits of aquaponics – an incredibly energy- and water-efficient method of food production which can provide a diverse range of crops, year-round and in spaces where traditional growing methods would not typically work.

2,024 KW of green energy | £3.6m invested in 36 projects

A growing focus over the 10 years of the Sustainable Development Fund's delivery has been how communities can take action to reduce their carbon footprint. Communities are increasingly focused on local action on the climate emergency, for example electrifying community transport, marine and croft waste recycling, and improving insulation and heating of community assets. A range of community-owned energy generation has been funded, from solar panels and hydro to the development of district heating systems. In many cases, small individual action has created collective momentum that resulted in funding being secured.

Investing in community hydro

£33,000 donation from the Sustainable Development Fund

Kingussie Community Company received the very first award from the Sustainable Development Fund. The company had designed an ambitious programme to re-introduce a hydro scheme on the river Gynack, which was last used in the 1920s for this purpose. A team of dedicated volunteers developed a viable and efficient micro-hydro scheme which will provide electricity locally for over 20 years.

The Sustainable Development Fund provided the last piece of the funding package and enabled the project to be fully viable. The funding meant that the project was constructed within the timeframe needed to secure a Feed in Tariff payment for the electricity.

The hydro-scheme provides 45,500kWh of green energy per annum, including 40% of the electricity supply for the local

golf club, reducing the carbon footprint of an important local asset and making it more sustainable. Another key benefit is an income of circa £13,000 per year which is re-invested into the local community. This is anticipated to continue until 2035 and so will contribute £260,000 to local initiatives.

The hydro site has been developed as a key destination on the local walking route and hosts regular educational visits including from schools and the University of Highlands and Islands.

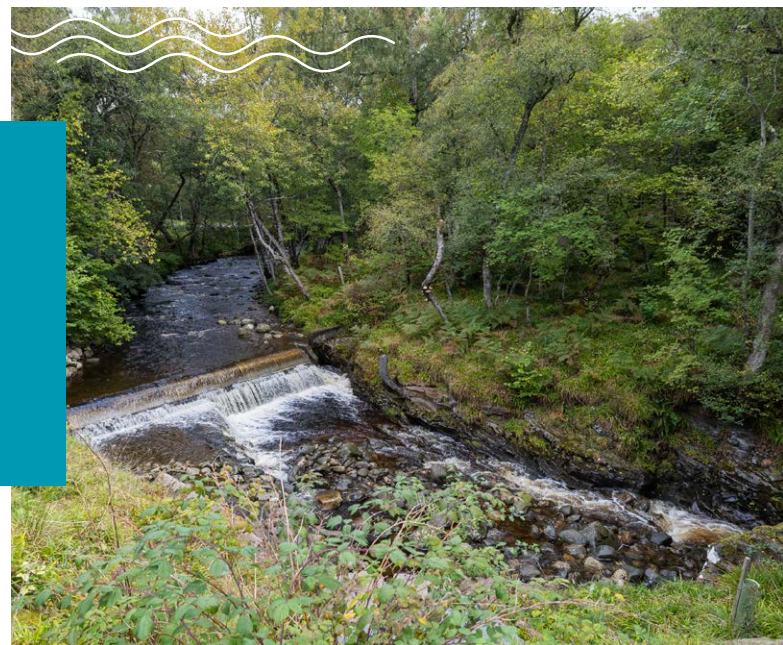
Advice for others

Perseverance – the hydro project took from 2004 to 2015 to move from idea to delivery.

Refinement – with changing costs and requirements over the lifetime of the programme, the team had to re-design the project to ensure it was viable.

Community expertise – the project costs were reduced thanks to the expertise of volunteers who provided engineering and project management oversight.

**Alister Bell, Volunteer,
Kingussie Community Company**



CASE STUDY

Enhancing education and skills

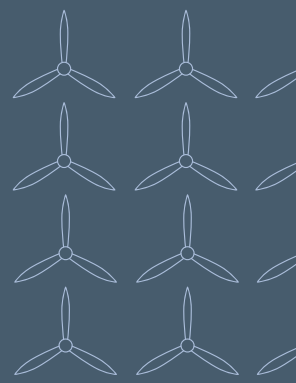
4 QUALITY EDUCATION



£3.35m invested in 62 projects
28,189 people with increased skills

A central component of the Sustainable Development Fund is improving the education and skills outcomes for young people. It is recognised there are divergent opportunities between rural and urban areas and the fund wanted to improve equality of access to viable career opportunities. One of the earliest investments was to establish a STEM Hub at the University of Highlands and Islands. This provision helped increase attainment at primary schools across the Highland region and trained 600 teachers. Other funded programmes have included enhancing rural apprenticeship programmes, providing programmes for young people with additional support needs, and helping young people remain engaged in learning during the coronavirus pandemic.

Perth Autism Support used a donation of £29,700 in 2021 to run a multi-year employability programme for young people with autism aged 14-18. The project provides meaningful work experience placements for secondary school pupils. The 80 young people on the programme receive specialist support to reduce barriers to work and gain an employability SVQ. Employers across Perth and Kinross also receive awareness training on making reasonable workplace adjustments to support autistic staff.





Creating future entrepreneurs

£55,255 donation from the Sustainable Development Fund

Young Enterprise Scotland (YES) has delivered award-winning enterprise and financial education programmes across Scotland for 30 years. It aims to ensure children in rural areas access the same provision as those in urban communities. YES received Sustainable Development Fund donations in 2018 and 2021 to establish an enterprise programme in Scottish Borders and Dumfries and Galloway. Their south of Scotland provision now includes enterprise challenges, circular economy sessions and e-learning. During the programme, students develop key skills including creativity, resilience, and problem solving, using real money to take calculated risks in business.

The Sustainable Development Fund enabled YES to employ a dedicated staff member for the region who could engage the schools, build relationships with local employers and establish links with key stakeholders such as Dumfries College. The certainty of funding over several years provided the time needed to embed the programme in the south of Scotland and has helped YES secure additional funding sources.

The programme has supported 1,464 young people to enhance their enterprise and other transferable skills for the world of work. The experience in the region has helped YES to get the programme accredited to SVQ level 6 which enhances the impact of the programme as young people enter the world of work. Early investment from the Sustainable Development Fund has enabled YES to develop an evidence base that helped to attract other funding to enable the programme to be sustainable for the future.

Advice for others

Relationships - Building great, face-to-face relationships with local educators and stakeholders is essential to build trust and gain understanding of the specific challenges being faced in remote and rural locations.

Varied delivery - A variety of delivery approaches, including virtual, in-person and physical resources, are required to ensure inclusivity for everyone.

Flexibility - It is important to be flexible and open to adapting programmes where necessary to allow for collaborative work and learning between communities and schools with lower populations. This also promotes and supports national partnerships across rural education settings.

**Emily Bennet, Manager,
Young Enterprise Scotland**

CASE STUDY

Building homes for the future

55 community owned homes built
£945,000 invested in 13 projects

Across all rural regions one of the main priorities is ensuring that they can remain as places where people want to live and work. Many communities are experiencing the double impact of an ageing population that needs need adaptable housing and a lack of available, affordable homes for families. The Sustainable Development Fund has supported a range of community-led projects which are building homes to meet the future needs of residents.



The community of Staffin in Skye was facing concerns about its sustainability due to rising house prices and depopulation. Staffin Community Trust developed an ambitious project to attract families to the area by building six homes offering a mix of those for affordable rent and discounted sales, for local families and those with connections to Staffin. The Sustainable Development Fund provided an early investment of £99,000 in 2020 which helped attract over £682,000 in additional funding.

Supporting community ownership

£80,000 donation from the Sustainable Development Fund

For over a decade there has been a focus in Scotland of supporting rural regions to become more resilient and sustainable through community ownership and management of land and land assets. The Sustainable Development Fund has been a key funder of this approach, with nine community ownership projects funded.

The Ettrick and Yarrow Community Development Company in the Scottish Borders led the community purchase of a site of 2.06 hectares, including farm buildings, from Buccleuch Estates in 2020. The company then transformed the site with the creation of five community owned homes and five enterprise workshops.

The homes are provided at an affordable rent to local families and are developed to high energy efficient standards, including ground source heat pumps and solar panels. The workshops also benefit from low carbon heating and provide affordable tenancies to encourage the growth of local small and medium sized enterprises. The re-development will be fundamental to supporting Ettrick and Yarrow's vibrancy, sustainability and economic growth.

Advice for others

Be informed - Although bringing old buildings back into use appears an attractive and sustainable proposition, and will usually gain public support, think carefully. It massively increases the risks by introducing unknowns. New build is less risky and more cost effective.

Build contingency - Don't skimp on the contingency allowance, even though it's tempting to do so to reduce the project budget.

Decision making - A small project team to take day-to-day decisions is better than referring everything to a full board, but the team members need to understand the need for long-term and full commitment.

Vicky Davidson, Co-ordinator, Ettrick and Yarrow Community Development Company



CASE STUDY

The Sustainable Development Panel



From left-right: Lord Jack McConnell (Chair), Prof. Jim Hunter, Prof. Jan Bebbington, Damien Yeates (missing Stuart Hood)

Rt. Hon. Lord Jack McConnell, Chairperson - Jack served as First Minister from 2001 to 2007 during which time he refreshed and launched Scotland's international image. He was appointed to the House of Lords in June 2010 and has continued his work in Africa tackling poverty.

Professor James Hunter - Jim is the Emeritus Professor of History at the University of the Highlands and Islands. Between 1998 and 2004 he was chairman of Highlands and Islands Enterprise and is the author of 11 books about the region.

Professor Jan Bebbington - Jan is an academic specialising in sustainability. She is currently Director

of Pentland Centre at the University of Lancaster. Her research interests focus on the themes of organisational responses to the global climate change agenda.

Damien Yeates - Damien is the Chief Executive of Skills Development Scotland and he has initiated a number of highly innovative and successful programmes to promote skills and lifelong learning, including the establishment of the Community Technology Academy Network.

Stuart Hood - Stuart is SSE Renewables Director of Asset Management - 14 years and has been responsible for embedding a number of sustainability and community initiatives in SSE Renewables.

FUNDING AWARDS

To review all funding awards made by the Sustainable Development Fund please consult the SSE Renewables Community Investment Reviews: www.sserenewables.com/communities/community-investment-reviews/

Partners

The Sustainable Development Fund is delivered with funds from the following joint venture partnerships:

Stronelaig Wind Farm Ltd, a partnership between SSE Renewables and Greencoat UK Wind plc.

Clyde Windfarm (Scotland) Ltd, a partnership between SSE Renewables, Greencoat UK Wind Plc and GLIL Corporate Holdings Ltd.

Dunmaglass Wind Farm Ltd, a partnership between SSE Renewables and Greencoat UK Wind plc.





**Career Ready was awarded
£59,000 to provide an
employability and work
experience programme in
Perth and Kinross**





**For further information about SSE Renewables,
please contact:**

SSE PLC

SSE Renewables
Inveralmond House
200 Dunkeld Road Perth
PH1 3AQ UK
T: +44 (0) 1738 456 000
Email: info@sse.com

Registered in Scotland No. 117119

[sserenewables.com](https://www.sserenewables.com)

