

April 2024

# A Lasting Legacy for Shetland



## BUSINESS PLAN

How the Shetland Community Benefit Fund will work with Shetland's communities to create a valuable and sustainable legacy from the Viking Community Fund.



## 2025/26 update to 'A Lasting Legacy for Shetland'

The first 5-year business plan, 'A Lasting Legacy for Shetland', for use of the Viking Community Fund has now completed its first year. The SCBF Fund Management Group, made up of directors from the SCBF board, reviewed the fund during the summer of 2025. This review has led to some small changes to the administration of the fund.

### Strategic Fund

When the business plan was launched in 2024/25, the Strategic Fund had two elements, a 'Proactive fund' – with SBCF inviting proposals for large projects tackling strategic priorities with a partnership-based approach, and a 'Reactive Fund' – open 3 times per year with an online application.

Experience from year 1 of the fund found that the two separate approaches could be confusing for applicants and administratively. For 2025/26 and onwards, there will be one Strategic fund open to online applications 4 times per year.

Stakeholders and local organisations involved in the delivery of projects are best placed to plan, develop and deliver them.

### Community Grant Scheme (CGS)

The CGS has carried on the good work of the Advanced Grant Scheme (AGS) and the online application has worked well. There are no material changes to how the scheme will be administered for 2025/26.

### Funding allocations

#### Strategic Fund

Again, taking into consideration knowledge gained from delivery in year 1, the allocation of funds to each of the Strategic priorities for 2025/26 will be as follows,

Strategic Proactive Fund Priority	Intended Annual Allocation
Younger People	£550,000
Cost of Living	£550,000
Environment	£300,000
Transport	£330,512
Housing	£250,000
Broadband/IT	£200,000
<b>Total</b>	<b>£2,180,512*</b>

*\*Inclusive of underspend of £552,390 from 2024/25*

#### Community Grant Scheme

Funding Stream	Intended Annual Allocation
Community Grant Scheme Tier 1 and Tier 2 combined funding allocation	£229,746
Community Grant Scheme Tier 3	£210,000
<b>Total</b>	<b>£439,746</b>

In recognition of the demand on the CGS Tier 3, the annual allocation has been increased by £75,000 allowing for a budget of £70,000 to each of the 3 funding rounds.

# The Viking Community Fund

Supporting and Developing Shetland's Communities

## Contents

	Page
Introduction	
1. Shetland Now and Our Funding Approach	1
2. Our Priorities for the First 5 Years	2
3. More Younger People Wanting to Stay and/or Come Back to Shetland	3
4. Better Transport Links Within and Between Communities	4
5. Reduced Cost of Living in Shetland	5
6. Better Broadband and/or Mobile Phone Connections	6
7. Improved Housing Supply and Affordability	7
8. Preservation and Enhancement of Shetland's Natural Environment	8
9. Delivering the Business Plan	9
10. Financial Overview	11
11. Monitoring, Evaluation and Reporting	12
Taking the Business Plan Forward	
Supporting Material	

## Further Information

For further information on this business plan or to find out more about the work of Shetland Community Benefit Fund generally, please contact:

Eleanor Gear, Fund Manager, Shetland Community Benefit Fund

Telephone: [07538 417175](tel:07538417175)

Email: [eleanor.gear@scbf.org.uk](mailto:eleanor.gear@scbf.org.uk)

Further information on our work can be found on our website at [www.scbf.org.uk](http://www.scbf.org.uk).

A plain text version of this document can be accessed from our website or by contacting Eleanor Gear at the contact details given above.

All photos courtesy of VisitScotland/Paul Tomkins

# The Viking Community Fund

## Supporting and Developing Shetland's Communities

This 5-year business plan marks the end of nearly a decade's work and the start of an exciting new phase of the Viking Community Fund which will be the largest onshore community benefit scheme in the UK. Shetland Community Benefit Fund, a unique co-operation between local communities, will receive £2,215,000 in 2024-25. This sum is index-linked every year for the lifetime of the Viking Energy Wind Farm. SCBF is regulated by the Financial Conduct Authority. It is not a charitable trust and therefore has flexibility for making grants, loans and investments.

While over £2.2m a year sounds a lot of money, there are limits to what we can realistically achieve with some problems and possible solutions will be outside our budget. We want to encourage new and exciting ways of tackling some of our problems, but always to ensure we add to, but not replace, any existing funding and whenever possible attract additional outside funding for projects.

This business plan sets out the priorities for support that were identified in a widescale consultation throughout the islands involving individuals, voluntary organisations and local businesses. Some of the priorities are highly complex issues that will involve research and further discussions before we can identify how best to use the funds. Others will be easier to find ways of making a difference and we hope to start initial funding within a few months of the scheme starting, in September 2024.

The business plan explains how we will work and sets out our priorities in more detail; much more information is available on our website at [www.scbf.org.uk](http://www.scbf.org.uk). We will be as open and transparent as possible in our work, thoroughly checking and monitoring applications and

### Three Main funds

A **Community Grant Scheme**, similar to the scheme that has been operating for the past four years, where all of Shetland's community councils will have a budget and decide how it should be spent. Applications for community projects that cover several areas will be decided by Delegated Officers.


The **Reactive Strategic Fund** will be open three times a year for larger projects that are focused on our main priorities and in 2024-25 will have a budget of £240,000.

The **Proactive Strategic Fund** will be our main fund. We will work with other stakeholders to identify major initiatives that will require significant funding, possibly over a number of years. In 2024-25 we will set aside nearly £1.4m for this fund.

projects we support. We will also regularly review how the plan is working.

We look forward to working with local and business communities to make a difference and make our islands a better place to live.

Chris Bunyan



*Chair, Shetland Community Benefit Fund*

# 1. Shetland Now and Our Funding Approach

**Shetland is already a great place to live and work.** We have:

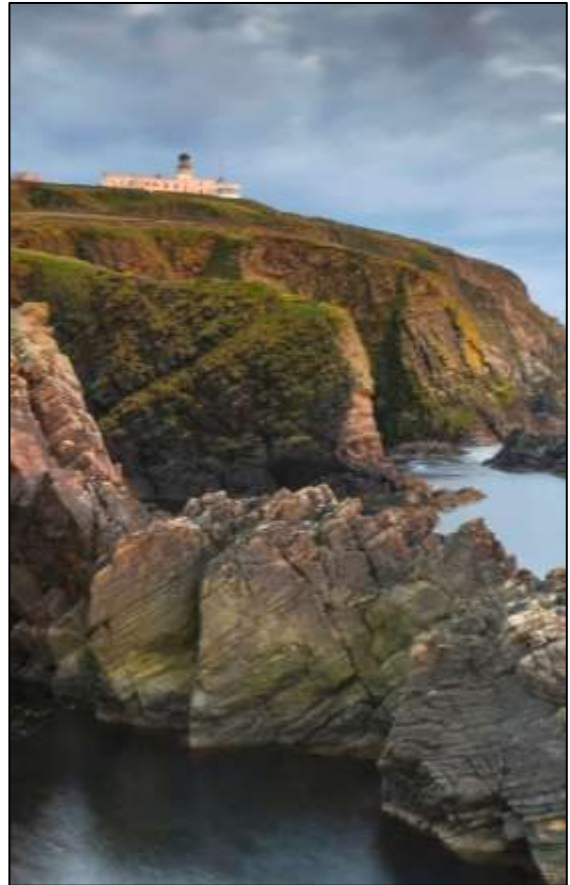
- A strong economy and a highly diverse business base.
- High levels of income compared to other parts of Scotland.
- Magnificent scenery and landscapes
- A high level of life expectancy.
- Active and engaged communities with a vibrant third sector).
- High-quality community resources (in the sports, leisure and cultural areas).

There are **significant economic opportunities** in areas such as:

- Decommissioning and Renewables.
- Carbon capture and storage.
- Aerospace.
- The visitor economy.
- Fishing and aquaculture industry.
- Our food & drink and hospitality sectors, amongst others.

However, we also face **significant challenges** for the future, including:

- A falling and ageing population.
- Skills shortages.
- Transport both to and from, and within, the islands.
- A high cost of living and people living in poverty.
- Poor broadband connectivity and mobile phone coverage in some areas.



- Supply, condition, type and cost of housing
- Significantly higher carbon emissions in Shetland than the Scottish average.

We recognise the inter-connected nature of these challenges and the potential responses to them.

The Viking Community Fund can **make a difference** by taking a flexible approach to funding. Including:

- Providing grants and repayable loans.
- Funding research or feasibility work to encourage investment from others.
- Seeking ideas and innovations from others.
- Taking the lead, including bringing together partners to develop proactive and partnership-based approaches to addressing our priorities.



## 2. Our Priorities for the First Five Years

Shetland households, businesses and voluntary organisations were sent a survey to gather their views on the priorities for the Viking Community Fund. Further consultation followed and a “combined scoring framework” was then used to rank and identify the main priorities.

Consideration was also given to the views of people in Shetland’s more remote communities, reflecting the “equity” principle we have adopted, with fairness for all of our communities being an important issue.

The consultation identified six main priorities which SCBF has adopted for the first five-year plan.

### Business Plan Priorities

*Not in any particular order of importance.*

- More younger people wanting to stay and/or come back to Shetland
- Better transport links within and between communities
- Reduced cost of living in Shetland
- Better broadband and / or mobile phone connections
- Improved housing supply and affordability
- Preservation and enhancement of Shetland’s natural environment.

A decision was made to not to include transport **between** Shetland and other locations as one of our priorities, as it was clear that the funding that could potentially be available would not be sufficient to make



a realistic difference or deliver a legacy in this area.

There are three of the priorities where we believe we can act fairly quickly – the priorities relating to younger people, cost of living and environment – and so we have allocated a higher proportion of our Year 1 budget to these areas. Proactive funding in relation to the other priorities (relating to broadband and mobile phone connections, community transport links and to housing) will initially focus on research and development activity and so will have a lower funding allocation in the first year of the fund’s operation.

There are significant links between the priorities, and we recognise also there are existing strategies, and specific projects, that are already addressing elements of these priorities. Our intention is that the fund will complement and add value to existing support or initiatives as we explain in the following sections.

### 3. More Younger People Wanting to Stay and/or Come Back to Shetland

#### Objective

We want to help reverse the trend of a falling and ageing population and encourage more young people to stay in the islands, return after further education or for a career move. We will work to help enhance young people's skills and their work opportunities. This would also help the serious skills and labour shortage in the economy. This priority is linked to others, such as the lack of affordable housing and cost of living.

#### How we will achieve this objective

The Strategic Proactive Fund will place an emphasis on interventions that have an impact on communities, whilst also recognising that particular approaches may be required to encourage the retention of young people in more remote areas and islands. Key elements of potential work here sit within the field of employability and economic development including:

- Projects and activities aimed at promoting the benefits of a range of employment opportunities within Shetland.
- Employment support schemes to maximise uptake of training and learning opportunities within Shetland, including potential areas of support to both individuals and businesses.
- Incentive schemes for "young starters" to set up new businesses on their own account, potentially including shared facilities / hubs / pop-up premises for new start and small businesses.

SCBF will work with stakeholders on these projects and may also carry out research to try and identify long term programmes on this issue. We will also look at supporting youth engagement activities in Shetland.

#### Outcomes for this priority

- Young people will feel better about Shetland as a place to live.
- Young people's skills and capabilities will be enhanced.
- More young people will become economically active in Shetland when they leave full-time education.

#### Funding

We will initially allocate up to £200,000 in 2024-25 from the main Strategic Fund for projects initiated by SCBF and in addition we will look to support applications to our Strategic Reactive Fund from other stakeholders.

Funding could be increased in 2024-25 should suitable projects be identified, but funding for future years will be allocated based on the initial results of our funding support and any new initiatives that either SCBF or stakeholders have identified.



## 4. Better Transport Links Within and Between Communities

### Objective

The objective is to allow better connection to opportunities of all kinds, whether this relates to education, work, leisure or social opportunities. SCBF want to do this in an environmentally sustainable way and to help overcome inequalities due to health, finance or social isolation. In particular we will focus on improving transport within and between communities, rather than the existing main transport links which are mainly between centres.

The scale of investment in many aspects of transport infrastructure mitigate against the Fund being able to make a difference to our primary transport systems both within the islands and to the mainland. These are also very clearly issues for initiatives by UK and Scottish Governments.

### How we will achieve this objective

There are also specific areas of project activity that we could support such as:

- Support for a range of shared community transport options such as “car clubs” and “dial-a-ride” community transport.
- Feasibility grants to develop new transport initiatives.
- Projects to encourage safe walking and cycling within communities and promotion of walking and cycling as transport choices.

These ideas will be considered in the development of the Proactive Strategic Fund programme and may involve considerable research to find suitable projects. However, we believe that small-scale, local work within



communities can have a substantial impact and we will encourage these projects.

### Outcomes for this priority

- People will have improved access to a range of services and other opportunities within their community.
- Social isolation and inequality in communities due to lack of transport opportunities will be reduced.
- People will have a more positive view of both cycling and walking as transport options.
- **Funding**

SCBF will initially allocate £200,000 in 2024-25 from the Proactive Strategic Fund for projects and initial research studies. In addition, we will look to support applications to our Strategic Reactive Fund from other stakeholders.

Funding could be increased in 2024-25 should suitable projects be identified, but funding for future years will be allocated based on the initial results of our funding support and any new initiatives that either SCBF or stakeholders have identified.



## 5. Reduced Cost of Living in Shetland

### Objective

Reducing the cost of living in Shetland involves a number of highly complex issues, such as heating costs for homes and businesses and food costs, for example. Our objective will be to reduce energy demand, and therefore costs, by helping to make buildings more efficient and supporting cost-saving renewable energy schemes for individual homes, businesses and small-scale community schemes.

SCBF will also support the production of more affordable food locally and encourage initiatives to reduce food wastage. SCBF is in no doubt that other areas for support will be identified in the future given the complexity of this priority.

### How we will achieve this objective

There are many different issues involved in this priority and talking to the stakeholders already doing valuable work will be vital to see what additional support we can provide. Energy efficiency is a particularly important issue and there is a range of possible initiatives SCBF could investigate; for example:

- Support for initiatives which tackle fuel poverty including improving the local insulation supply chain, new small-scale community heating schemes and home improvements that enhance energy efficiency.
- Encouragement of growing initiatives to make locally grown food more affordable and available.
- Support for projects to reduce household costs in areas such as food waste.

### Outcomes for this priority

- People will have improved awareness of good practice in relation to budgeting and energy efficiency issues.
- An increased number of households will meet target energy efficiency standards.
- Household energy costs should reduce.
- More locally produced food.

### Funding

Initially SCBF may consider supporting relatively short-term projects while research and investigations are carried out into longer-term projects. Also, because of how broad this priority is, and the number of stakeholders already involved, inviting stakeholders to submit projects and initiatives may be the most effective way of progressing in the first few years of the fund.

SCBF will initially allocate £397,000 in 2024-25 from the main Proactive Strategic Fund for projects initiated by SCBF or supporting initiatives from stakeholders. Funding could be increased in 2024-25 should suitable projects be identified, but funding for future years will be allocated based on the initial results of our funding support and any new initiatives that either SCBF or stakeholders have identified.



## 6. Better Broadband and/or Mobile Phone Connections

### Objective

Poor quality broadband and mobile phone connections were highlighted in our surveys as serious obstacles to both business and as a major disadvantage to living in the islands, especially more remote communities. This is another complex issue, especially due to the number of Scottish and UK Government initiatives either underway or being proposed for both broadband and mobile coverage and the rate at which technology is changing makes it difficult to have firm proposals for this plan, but our focus will be to investigate and support the most effective ways of making long-term major improvements to the islands' digital infrastructure. In particular, to consider the service to areas currently suffering from poor or non-existent services.

### How we will achieve this objective

SCBF will examine how existing funding support can be best used and services improved; the potential for inward investment in the digital infrastructure; how various technologies might be utilised and encourage community initiatives. Stakeholders will be consulted and, because of the technical nature of the issue, SCBF may commission a study to identify how our funding can have the most significant impact.

### Outcomes for this priority

That SCBF has clearly assisted in improving the mobile and broadband digital services in the islands where this has been technically and financially viable.



- A greater number of people and businesses will have access to good quality broadband.
- A greater proportion of people and businesses will have access to good quality mobile phone coverage.

### ○ Funding

The way forward depends substantially on the progress of government and commercial schemes, what their limitations are and what gaps can SCBF try and fill. Initially SCBF has set aside £100,000 for this priority in 2024-25 but can adjust the figure depending on the scale and complexity of the projects that are identified.

Funding could be increased in 2024-25 should suitable projects be identified, but funding for future years will be allocated based on the initial results of our funding support and any new initiatives that either SCBF or stakeholders have identified.

## 7. Improved Housing Supply and Affordability

### Objective

SCBF want to help increase the number of affordable and suitable homes for people in Shetland.

### How we will achieve this objective

The importance given to housing issues in our consultations is such that we have adopted it as one of our six priorities, but we recognise that it is an area where further investigations are required to consider how we can best help make a difference in relation to housing issues.

Many of the challenges in addressing this issue are not about funding but about labour market capacity and the local infrastructure to improve the housing stock. Addressing this is clearly a long-term challenge and we will continue to consider how the Fund can potentially make a difference.

At this stage, SCBF believe that the three main areas where we could potentially be involved in over time, typically alongside other funders are:

- Targeted funding and support to unlock other schemes and delivery of small-scale community-based and social housing schemes, which could include feasibility study support and subsequent gap funding.
- Fund an independent housing report to identify how the fund could make a difference to the housing situation in Shetland .
- Supporting work to reduce the number of empty properties in Shetland and how they may be brought back into use.

### Outcomes for this priority

- More people will be able to access a suitable and affordable home.
- More long-term empty homes will be brought back into use.

In relation to each of these outcome areas, it is important to recognise that any funding contribution from the Viking Community Fund will likely be part of a much more substantial funding package.

The key measurables will be how many new housing initiatives we are assisting, and properties being brought back into use with the support of the Fund.

### ○ Funding

SCBF will allocate £100,000 in 2024-25 for this priority. Funding over the period from Years 2 to 5 will be allocated based on the results of the demand and success of projects already underway.

Funding could be increased in 2024-25 should suitable projects be identified, but funding for future years will be allocated based on the initial results of our funding support and any new initiatives that either SCBF or stakeholders have identified.





## 8. Preservation and Enhancement of Shetland's Natural Environment

### Objective

Our objective in relation to this priority is twofold: to protect and enhance our natural environment for current and future generations and assist in reducing Shetland's carbon emissions.

### How we will achieve this objective

Environmental sustainability was identified earlier in this business plan as one of our key overarching principles and so we anticipate that all projects and activities supported by the Fund will be expected to consider their impact on both the natural environment and on carbon emissions. SCBF anticipate that there will be specific areas of work that can contribute directly under this priority, for example:

- Woodlands and peatland development
- Funding of scientific studies and other research and feasibility work to support protection of natural environments, including the sustainable harvesting of those resources.
- Encouragement of volunteering activity in the environment and conservation field, targeting young people in particular.
- Projects to enhance the capacity available locally in relation to protection of the natural environment; for example by training of local scientific, environmental management, and conservation staff.
- Specific project activity aimed at protecting and / or enhancing aspects of the natural environment.



- Investigate potential for carbon capture schemes in Shetland.

### Outcomes for this priority

- Organisations and people in Shetland will have a better understanding of issues impacting on Shetland's natural environment.
- There will be enhanced scientific capacity capable in Shetland, capable of undertaking environmental sustainability work in Shetland and elsewhere.
- Shetland's natural environments will be enhanced.
- Reduce Shetland's carbon emissions.

### Funding

We will allocate £200,000 in 2024-25 for this priority. Funding over the period from Years 2 to 5 will be allocated based on the results of the initial projects, research into other initiatives and proposals from stakeholders.

Funding could be increased in 2024-25 should suitable projects be identified, but funding for future years will be allocated based on the initial results of our funding support and any new initiatives that either SCBF or stakeholders have identified.



## 9. Delivering the Business Plan

Funding will fall under two headings, these being the different ways that we will fund projects:

- **Community Grant Scheme** – three tiers of funding
- **Strategic Fund** – ‘Reactive’ applications invited, ‘Proactive’ SCBF inviting proposals and SCBF taking the lead, bringing together partners to develop a proactive partnership-based approach to addressing priorities. Applications and proposals must meet the strategic priorities of the fund.

Community groups, individuals, businesses, and other organisations will be able to apply for funding and our approach will be that of a ‘project funder’, looking to support projects and activities that create a positive legacy.

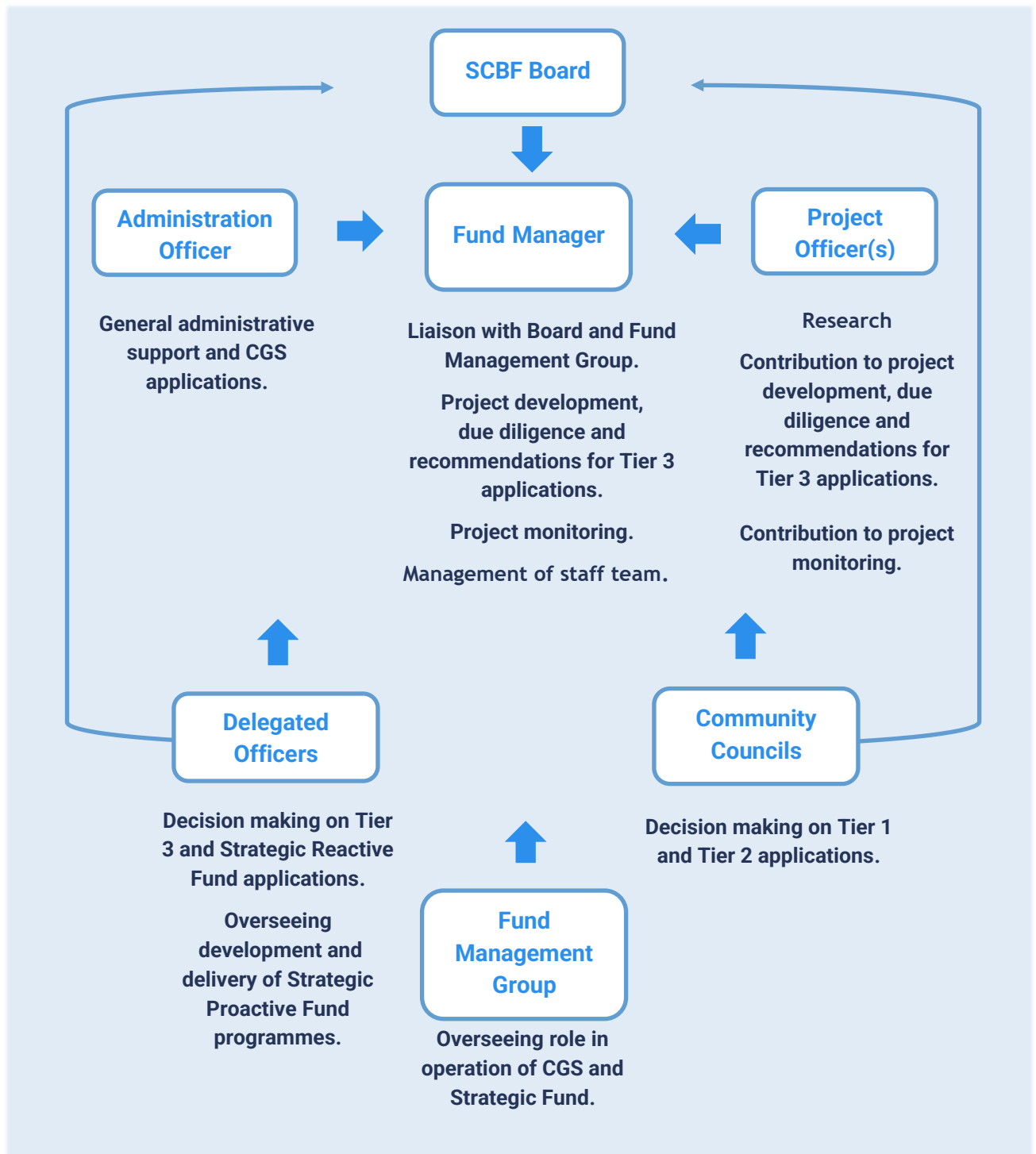
### The Viking Community Fund

Community Grant Scheme	<b>Tier 1</b> Grants of £50 to £1,000	£221,500 annually	Scheme based on Community Council areas and decisions made by community councils
	<b>Tier 2</b> No upper limit		
	<b>Tier 3</b> Grants of £200 to £15,000	£135,000 annually	“Shetland-wide” Projects (3+ community council areas) with decisions made by Delegated Officers
Strategic Fund	<b>Strategic Reactive Fund</b> Minimum grant £10,000	£240,000 annually	Strategic Legacy Projects with decisions made by Delegated Officers
	<b>Strategic Proactive Fund</b>	£1,397,000 annually	Strategic Legacy Projects For each Priority to be agreed by SCBF Board

The workload associated with the management of the Fund will be significant and appropriate staff resource will be required. A Fund Manager and Administration Officer are already in place and a future need for project officers/researchers has been identified.

SCBF have adopted specific funding principles to guide our decision making. These relate to: legacy; additionality; equity; long-term funding; partnership; and, environmental sustainability.

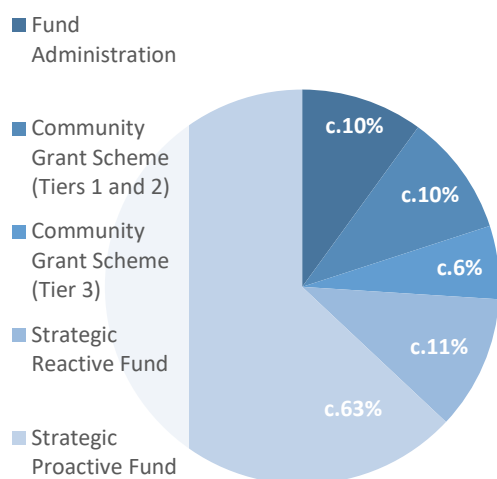
## Decision Making Framework



## 10. Financial Overview

Viking Energy Wind Farm payments to the Viking Community Fund are projected to be £2,214,500 in 2024-2025, with this being index-linked annually to the Consumer Price Index. We have set out below a broad indication of the allocation of this funding over the initial 5-year period of the Fund.

### Overview of Funding Allocation (Initial 5 Years)



SCBF will maximise the resources that can be used to deliver on our priorities and will limit administration costs to no more than 10% of the overall fund value (£221,500 in Year 1).

This allows for the bulk of available funding to be allocated to delivering on the priorities set out in the business plan. This amounts to a sum of £1,993,500 annually (at current prices) which we intend to allocate as follows:

Funding Stream	Intended Annual Allocation
Community Grant Scheme Tier 1 and Tier 2 combined funding allocation	£221,500
Community Grant Scheme Tier 3	£135,000
Strategic Reactive Fund	£240,000
Strategic Proactive Fund	£1,397,000*
<b>Total</b>	<b>£1,993,500</b>

*\*This figure will be reduced by £200,000 in Year 1 to £1,197,000 to reflect an existing commitment of £200,000 to the MRI Scanner Appeal.*

Year 1 funding allocations in the relevant "Priority" sections are summarised below:

Strategic Proactive Fund Priority	Intended Annual Allocation
Younger People	£200,000
Transport	£200,000
Cost of Living	£397,000
Broadband	£100,000
Housing	£100,000
Environment	£200,000
<b>Total</b>	<b>£1,197,000</b>

## 11. Monitoring, Evaluation and Reporting

Our approach to monitoring and evaluation will be one of openness and transparency.

Individual funded projects will be expected to report back on their project expenditure and, where practical, the achievement of outputs and outcomes. We will take a proportionate approach to this, taking account of the nature and scale of each project. For larger projects funded over the longer term, we will expect regular monitoring reports in advance of final evaluation.

Monitoring and evaluation will be built into the Fund programmes and will be led directly by the staff team, with support from external research and evaluation consultants as required. It will also include the collation of detailed financial reports to SSE Renewables on a quarterly basis.

We will publish an Annual Report detailing our activities and achievements over the period.





## Taking the Business Plan Forward

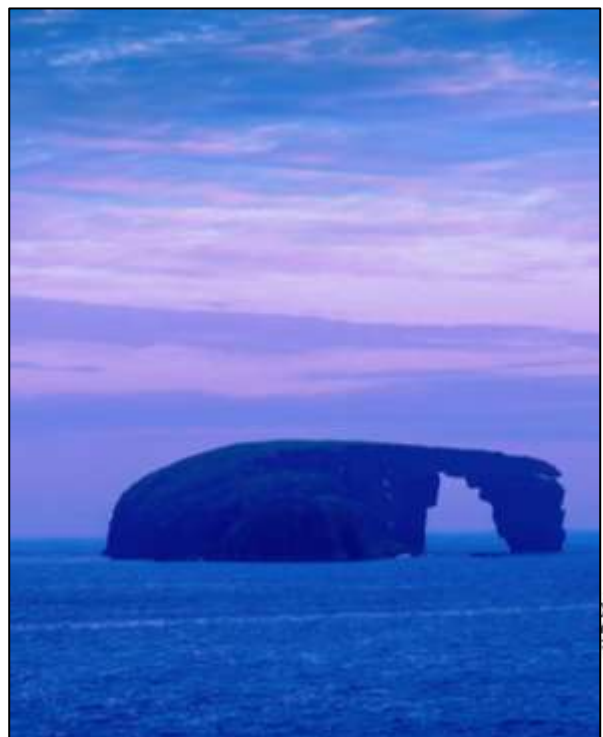
Our current planning assumption is that the main funding of £2,214,500 will become available in September of 2024 and there are a number of steps that we will take in the meantime to prepare for this, including:

- Widespread circulation of this business plan and its contents so that people, businesses, and organisations in Shetland are aware of the fund and how it will operate from September 2024 onwards.
- Preparation of promotional material for launch and ongoing communication of the opportunities available from the fund.
- Finalising application forms and guidance notes for funding streams, ready for the launch of the new arrangements.
- Development of specifications for the work needed to develop the Strategic Fund plans in relation to each of our priorities. Where appropriate, we will reach out to potential partners to seek their involvement in the development of these plans.
- Identifying and supporting projects which meet our priorities.
- Preparation of an 'Annual Report' on the Fund.

The Fund Management Group will oversee the running of the Viking Community Fund. They will review the success in meeting the plan's priorities and the objectives of applicants. In consultation with VEFW, the group will recommend any changes it feels are needed to improve the administration and general running of the Viking Community Fund.

Throughout this preparatory period, we will continue to engage with Viking Energy and SSE Renewables and with people and communities in Shetland to keep them updated as to how these areas are progressing and the timescales and arrangements for full launch of the Fund.

SCBF have been further engaging with local stakeholders to discuss initial ideas for projects and initiatives which meet our priorities. We intend to take forward some of these initiatives and further discussions and idea sharing is already taking place. The complexity of each project will determine how quickly SCBF can progress them, but the intention is to be able to roll-out some projects as soon as practicable. Some priority areas and potential projects will require SCBF to carry out further research to ensure the best use of funding and project delivery.



## Supporting Material

A number of supporting documents may be accessed by visiting our website at [www.scbf.org.uk/BusinessPlan](http://www.scbf.org.uk/BusinessPlan). The following documents are available:

[An overview of the consultation process for the development of the business plan](#)

[The Shetland Today discussion document](#)

[IBP Strategy & Research's Report to SCBF Directors on Consultation Results](#)

[Outcome of Consultation presented to Directors](#)

[Funding principles](#)

[Indicators of change that SCBF will track on an ongoing basis](#)

