

SP Energy Networks Grassroots and Local Funds Guidance

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What are the SP Energy Networks Community Benefit Funds?

SP Energy Networks Community Benefit Funds support communities that host electricity transmission infrastructure, helping to deliver long-term social, economic and environmental benefits.

In March 2025, the UK Government published [guidance](#) on community funding for transmission infrastructure, setting out eligible infrastructure and key principles underpinning this form of funding.

This is a new model of community benefit funding and differs from the voluntary contributions traditionally provided by renewable energy developers. As a regulated electricity transmission business, SP Energy Networks is overseen by Ofgem, the UK's energy regulator, to help ensure spending is fair, efficient and delivers measurable value for electricity consumers and local communities.

The programme is divided into individual funds linked to specific SP Energy Networks projects. Each fund has its own eligible area, available budget and local priorities, informed by engagement with the community. Applicants must check the information for the fund to which they are applying.

Funding is provided by SP Energy Networks. Grassroots Grants and Local Grants are administered through the appointed Fund Administrators.

Which Grant Programme Should I Apply To?

There are two grant programmes. Choose the programme that matches the amount requested, scale of the project and relevant application requirements.

Programme	Funding request	Best suited to	Application route
Grassroots Grants	Up to and including £20,000	Smaller, community-led projects	Apply through the Grassroots Fund Administrator using the published Grassroots application process.
Local Grants	More than £20,000 and up to £500,000	Larger, more complex or capital projects	Apply through the Local Fund Administrator using the published Local application process.

Do not submit the same funding request to both programmes. If the correct route is unclear, contact the relevant Fund Administrator before applying.

Eligibility Criteria

Applicants must meet the requirements of the chosen grant programme and the individual fund. Applications that do not meet the applicable eligibility criteria will not be shortlisted.

Location

Each fund has a defined area of benefit. The project must benefit people within that eligible area. The organisation may be based elsewhere, but the project's beneficiaries must be located within the designated area.

Organisation Type

Applicants must be legally constituted community groups, registered charities or other not-for-profit organisations. Statutory bodies, including local authorities, schools and universities, cannot apply directly but may be named as project partners.

Eligible organisations may include:

- Registered charities
- Community Interest Companies and other not-for-profit companies limited by guarantee
- Schedule 2 CICs limited by shares, Community Benefit Societies, co-operatives and other mutuals with defined public-benefit, not-for-profit aims and appropriate restrictions on shareholders and dividend payments
- Other constituted not-for-profit organisations, including community transport organisations, development trusts, CASCs, PTAs, Friends groups and small community groups
- Further education colleges and universities, where they are applying for an eligible community benefit project and not acting as a statutory body

The following are not eligible to apply:

- For-profit organisations or organisations that pay dividends to shareholders
- Political parties
- Organisations based entirely outside Scotland with no sub-office or local representative operating within the relevant SP Energy Networks construction region
- Statutory bodies, including local authorities and schools, although they may be project partners
- Organisations that do not meet due diligence requirements

Project Type

Projects must deliver social, economic and/or environmental benefits and align with at least one of the community fund themes.

All projects must be deliverable, appropriately costed and supported by the permissions and evidence required. Costs and plans should be finalised, including design and relevant permissions, and the project should be ready to begin within six months of the Grant Offer Letter unless otherwise agreed in writing. Local Grant projects should normally be completed within two years of their start date and Grassroots Grants within one year, unless an extension is agreed in writing.

What Can Be Funded?

Eligible costs may include:

- New or existing projects aligned with the fund themes and local priorities
- Capital works, subject to the evidence, permissions, tenure and quotation requirements
- Staffing and volunteer costs that are attributable, proportionate and appropriately apportioned and directly relate to community benefit
- Skills development, including training courses
- Other project costs that clearly meet one or more local priorities
- Core costs, such as rent, utility bills, IT and HR support, can be pro-rated to project delivery time but cannot be standalone applications.

Funding is not available for:

- Core delivery or routine organisational running costs unrelated to the project
- Research projects and studies, fundraising events, legal representation, or costs of bringing or maintaining a legal case or review
- One-off celebratory or seasonal events (summer fetes, fireworks displays, Christmas light switch-ons etc.) where there is no impact beyond the event
- Regranting, bursaries, prizes or incentives for beneficiaries
- Political causes or projects with exclusively religious objectives. Religious organisations may apply for inclusive projects with wider community benefit.
- Costs that are the responsibility of a statutory authority
- Retrospective costs or activities taking place before a funding decision
- Planning costs and other statutory costs
- Feasibility studies
- Payments to SP Energy Networks, including DNO connection costs
- Improvements to land or buildings where the applicant does not have appropriate tenure
- Repayment of organisational loans or debts

Fund Themes

Grassroots and Local Grants support projects aligned with one or more of the following themes. Individual funds may prioritise particular themes in response to local needs and ambitions.

- **Strengthening financial resilience and educational inclusion:** Relieving pressure on families and financial inequalities, improving financial literacy and extracurricular learning opportunities for young people.
- **Employability support and skills development:** Job readiness, training and careers support, including help for carers and parents re-entering the workplace.
- **Social and digital inclusion, wellbeing and active lifestyles:** Reducing isolation, improving mental wellbeing and encouraging healthy living.
- **Improving community spaces and buildings:** Accessibility, safety, sustainable upgrades, and energy and resource efficiency.
- **Enhancing green spaces and access to nature:** Biodiversity, conservation and nature-based activities.
- **Sustainable and inclusive transport:** Affordable, accessible and healthier travel options, including walking and cycling schemes.

Local Priorities and Evidence of Need

Each individual fund may prioritise themes according to local place plans, needs and ambitions. These priorities will inform the assessment of applications.

The application must clearly evidence local need. It should explain who will benefit, how the need has been identified, what alternatives are available and how the project responds to the published priorities for the eligible area.

Amount of Funding Available

The amount available through each individual fund varies according to the eligible infrastructure project and the funding allocated to each grant programme.

- Grassroots Grant applications may request up to and including £20,000.
- Local Grant applications must request more than £20,000 and no more than £500,000.

Funding may cover up to 100% of eligible project costs. If match funding or organisational reserves will contribute to the project, evidence will be required that these funds are secured.

Application and Assessment Process

Before Applying

- Confirm that the project will benefit the eligible area.
- Choose the correct grant programme for the amount requested.
- Read the individual funding themes and ensure that the project aligns.
- Check that the organisation and project are eligible.
- Prepare the supporting evidence required by the relevant application.

Assessment

Applications will be assessed against the published criteria. The assessment level will differ between Grassroots and Local Grants.

Assessment will consider:

- **Alignment with fund themes and local priorities:** Evidence of a documented local need and a clear fit with the individual fund.
- **Economic, environmental and social outcomes:** The benefits the project will deliver and how these will be measured.
- **Value for money:** The relationship between the funding requested, intended outcomes, beneficiaries, long-term impact and legacy.
- **Ability to deliver:** The organisation or partnership's capacity, experience, governance and project management arrangements.
- **Permissions and readiness:** The project plan, risk management, delivery timescales, costs and relevant permissions appropriate to the programme and project.

Grant applications will include assessment and shortlisting by the Fund Administrator, consideration by an External Decision-Making Panel and authorisation by the SP Energy Networks Internal Governance Group. Successful applicants will receive a Grant Offer Letter setting out the funding agreement and any conditions.

How to Apply

Grassroots Grants

Complete and submit the Grassroots Grant application published on the individual fund page, taking note of the submission deadline.

Local Grants

Complete and submit the Local Grant application published on the individual fund page, taking note of the submission deadline.

Supporting Information

The information required may include:

- A complete project budget
- Evidence of costs and quotations
- A proportionate project or delivery plan
- Relevant permissions and statutory documentation
- Recent bank and financial information
- The organisation's constitution or governing document
- Letters of support or other evidence of community need

Applicants should only provide the documents requested in the relevant application form and keep within any stated word or document limits.

Grant Offer and Project Start

Successful applicants will receive written confirmation setting out the grant conditions and any requirements that must be met before payment or project delivery begins.

For all grants, funding is formally confirmed only when the Grant Offer Letter has been signed and returned in accordance with the instructions provided. Applicants must not incur costs that they intend to claim from the fund before the Grant Offer Letter has been fully signed and returned.

Pre-Application Checklist

Check	Requirement	Confirmed
Correct programme	The amount requested falls within the Grassroots or Local Grant range.	☐ Yes
Eligible organisation	The lead applicant is an eligible, constituted not-for-profit organisation.	☐ Yes
Eligible area	The project will benefit people within the individual fund's defined area of benefit.	☐ Yes
Local priorities	The project aligns with at least one fund theme and responds to published local priorities.	☐ Yes
Evidence of need	The application explains the local need, beneficiaries and expected outcomes.	☐ Yes
Costs and evidence	The budget is complete and supported by the evidence required for the chosen	☐ Yes

	programme.	
Permissions and tenure	Relevant permissions, consents and tenure evidence are in place where required.	☐ Yes
Governance and banking	The organisation meets the governance, banking and due diligence requirements of the chosen programme.	☐ Yes
VAT	The application excludes any VAT the organisation can reclaim.	☐ Yes
Submission	The correct application form and supporting documents will be submitted by the published deadline.	☐ Yes

Further Support

Applicants who are unsure about eligibility, the correct programme or the evidence required should contact the relevant Fund Administrator before submitting an application. Contact details and application links should be taken from the webpage for the individual fund.

How Applications Will Be Assessed

The Fund Administrator will assess applications using a structured, consistent and transparent approach. The information requested and depth of assessment will be proportionate to the application's value, complexity and risk.

Assessment will consider the following categories:

- **Alignment with fund themes and local priorities:** How clearly the project evidences community need through local plans, data or consultation, and how well it responds to the themes prioritised for the individual fund.
- **Project design:** Whether the project is clearly described, supported by a sound and proportionate delivery plan, and designed to support community inclusion and access.
- **Deliverability:** Whether the applicant has the capacity and relevant experience to deliver, with suitable plans, responsibilities, permissions and technical evidence where required.
- **Economic, environmental and social impact:** The expected qualitative and quantitative benefits for the eligible community and how progress and outcomes will be monitored.
- **Value and legacy:** Whether the budget is clear, itemised, reasonable and proportionate, and whether the project is likely to leave a lasting benefit for the community.

Grassroots applications will use a streamlined and proportionate assessment. Local Grant applications will require more detailed evidence because of their higher value and complexity.

Applications that do not meet an essential criterion may not progress. All funding remains subject to the available budget and the decision-making process for the relevant programme.

Due Diligence and Pre-Award Checks

Before an award is confirmed, the Fund Administrator will carry out proportionate due diligence checks on the applicant organisation. The checks will reflect the value and risk of the proposed award.

Checks may include:

- Verification of the organisation's bank account and bank details
- Review of the constitution or governing document, trustee or director information and organisational status
- Review of accounts, forecasts, cashflow or reserves information where proportionate to the award
- Conflict-of-interest and compliance declarations
- Safeguarding arrangements where the project involves children or adults at risk
- Evidence of organisational capacity and relevant delivery experience
- Risk information, partnership arrangements and project governance for higher-value or more complex applications
- Publicly available checks for material reputational or governance concerns
- A site visit where this is proportionate to the value or risk of the application

If a concern is identified, the Fund Administrator may ask for clarification or further evidence. Material unresolved concerns may make the application ineligible. Where appropriate, feedback may identify what must be resolved before a future application can be considered.

Award, Payments and Financial Management

Award Conditions

Successful applicants will receive written award documentation setting out the approved project, eligible expenditure, reporting requirements, payment arrangements and any conditions that must be met before payment or delivery begins.

Grassroots Grant Payments

Grassroots Grants will normally be paid as a single upfront payment, subject to completion of the required award and due diligence checks.

Local Grant Payments

Local Grant payments will be made by the Local Fund Administrator in line with the schedule set out in the Grant Offer Letter. SP Energy Networks will provide funding to the Fund Administrator in advance of agreed payment milestones. Payments to the grant recipient will be phased against agreed milestones, evidence and reporting requirements, depending on the project's scale, delivery model and cashflow needs. Applicants should identify any need for upfront or phased funding in their application and provide a clear justification. No applicant should assume that expenditure incurred before the award conditions are met will be eligible.

Financial Controls

Grant payments will be supported by documented approvals, appropriate authorisation, reconciliation and auditable records. Grant recipients must retain all invoices, receipts and other supporting evidence in accordance with their award conditions.

Monitoring, Reporting and Audit

Monitoring will be proportionate and risk-based. Lower-value grants will normally have lighter requirements, while higher-value, higher-risk or more complex projects will receive increased oversight.

Grant recipients will be required to:

- Provide progress and final reports by the dates stated in the award documentation
- Maintain clear records of project activity, expenditure, beneficiaries and outcomes
- Provide invoices, receipts, bank evidence or other supporting information
- Report risks, delays, changes, safeguarding concerns or potential non-compliance promptly
- Take part in proportionate meetings, checks or site visits
- Co-operate with assurance or audit activity relating to the funded project
- Repay funding where required under the award conditions, including in cases of ineligible expenditure, unapproved changes or material non-compliance

The Fund Administrator will monitor day-to-day delivery and maintain records of progress, spend and outcomes. SP Energy Networks will retain governance and assurance oversight, including the ability to undertake sample-based checks and audit relevant records.