



IN  
BY  
FOR

SHETLAND

RAMBOLL

# Neshion Energy Park

Socio-Economic Statement

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## Contents

|       |                                                                                   |    |
|-------|-----------------------------------------------------------------------------------|----|
| 1.    | <a href="#">Executive summary</a>                                                 | 3  |
| 2.    | <a href="#">Strategic Case for Intervention</a>                                   | 6  |
| 2.1   | Introduction                                                                      | 6  |
| 2.2   | The Need for Action                                                               | 6  |
| 2.3   | Energy Transition in Action                                                       | 8  |
| 2.4   | Neshion Energy Park as a Catalyst                                                 | 8  |
| 2.4.1 | Catalytic Role in Energy Transition                                               | 9  |
| 2.4.2 | Decarbonisation of Sullom Voe                                                     | 10 |
| 2.4.3 | Contribution to Shetland's Fair Share Principles                                  | 11 |
| 3.    | <a href="#">Appraisal Approach</a>                                                | 12 |
| 3.1   | Appraisal Methodology                                                             | 12 |
| 3.2   | Alignment with Scottish Renewables Guidance on 'Maximising Net Economic Benefits' | 14 |
| 3.3   | Alignment with National Planning Framework Policy 11(c)                           | 14 |
| 4.    | <a href="#">Socio-Economic Context</a>                                            | 15 |
| 4.1   | Population and Demography                                                         | 15 |
| 4.2   | Economy and Employment                                                            | 15 |
| 4.3   | Energy Costs and Fuel Poverty                                                     | 16 |
| 4.4   | Housing                                                                           | 16 |
| 4.5   | Education and Skills                                                              | 16 |
| 4.6   | Supply Chain and Local Content                                                    | 17 |
| 5.    | <a href="#">Programme of Interventions to Maximise Socio-Economic Benefit</a>     | 17 |
| 5.1   | Overview                                                                          | 17 |
| 5.2   | Supply Chain                                                                      | 18 |
| 5.2.1 | Maximise Local Spend (Supply Chain commitments - 'EmPowering Shetland')           | 19 |
| 5.2.2 | Early and proactive local supply chain engagement                                 | 20 |
| 5.2.3 | Targeted Procurement                                                              | 21 |
| 5.2.4 | Increase Applicant Supply Chain Capacity                                          | 21 |
| 5.3   | Skills & Workforce                                                                | 22 |
| 5.3.1 | Grow Local Workforce                                                              | 22 |
| 5.3.2 | Just Transition from Traditional Roles                                            | 23 |
| 5.3.3 | Retention of Young People in Shetland                                             | 24 |
| 5.4   | Community Engagement and Empowerment                                              | 25 |
| 5.4.1 | Understand and Address Local Needs                                                | 26 |
| 5.4.2 | Ongoing Engagement                                                                | 27 |
| 5.4.3 | Financial Empowerment                                                             | 28 |
| 5.5   | Environmental Protection and Enhancement                                          | 28 |
| 5.5.1 | Habitat Management                                                                | 29 |
| 5.5.2 | Support Decarbonisation Initiatives                                               | 30 |
| 5.5.3 | Creation of Green Infrastructure                                                  | 31 |
| 5.6   | Principles Audit                                                                  | 31 |
| 6.    | <a href="#">Assessment of Socio-Economic Impacts</a>                              | 34 |
| 6.1   | Overview                                                                          | 34 |
| 6.2   | Supply Chain, Skills and Workforce Impacts                                        | 35 |
| 6.2.1 | Development Phase                                                                 | 35 |
| 6.2.2 | Operational Phase                                                                 | 39 |
| 6.2.3 | Decommissioning Phase                                                             | 46 |
| 6.3   | Monitoring, Reporting and Continuous Improvement                                  | 47 |

|       |                                       |    |
|-------|---------------------------------------|----|
| 6.3.1 | Monitoring Framework                  | 47 |
| 6.3.2 | Reporting and Transparency            | 48 |
| 6.3.3 | Governance and Continuous Improvement | 48 |
| 6.3.4 | Policy Alignment                      | 48 |
| 7.    | Conclusions                           | 48 |

## 1. Executive summary

- **Strategically significant renewable energy development:** Neshion Energy Park would provide over 50 MW of renewable generation and associated battery storage, while also acting as enabling infrastructure for Shetland’s wider energy transition.
- **Support for decarbonising Sullom Voe:** By providing renewable generation adjacent to Sullom Voe Oil Terminal, the Proposed Development could help support wider low-carbon industrial activity, including hydrogen and e-fuels, and contribute to the Terminal’s longer-term transition.
- **Strong direct socio-economic contribution:** The Proposed Development is forecast to support around 396 job-years and £81 million gross value added during construction, together with around £310 million of lifetime local gross value added over a 40-year operational life on an undiscounted basis.
- **Retention of value in Shetland:** Through local supply chain, skills and workforce commitments, the development is designed to maximise local participation and retain a high proportion of operational expenditure and wider economic value within the islands.
- **Direct benefits for local communities:** The proposed Local Electricity Discount Scheme, alongside community benefit and ownership opportunities, could provide practical and locally felt benefits for households, businesses and communities closest to the site.

Neshion Energy Park (the ‘Proposed Development’) is a strategically important renewable energy development for Shetland that would deliver benefits extending beyond electricity generation alone. Located adjacent to Sullom Voe Oil Terminal (SVT), the Proposed Development would provide over 50 MW of renewable generation and associated battery storage in a location with exceptional wind resource and proximity to major industrial demand. In doing so, it would contribute to Scotland’s net zero, energy security and just transition objectives, while also creating a platform for wider decarbonisation and economic transition activity in Shetland. The Proposed Development is therefore significant not only because of the clean electricity it would generate, but because of the role it could play in enabling lasting socio-economic value for the islands.

A central feature of that wider value is the Proposed Development’s potential to support the decarbonisation and diversification of SVT – one of Europe’s largest oil terminals. The report identifies SVT as a cornerstone of Shetland’s economy whose long-term future will depend on a timely shift away from oil and gas towards low-carbon fuels and related industrial activity. Through its proximity to the Terminal and the Memorandum of Understanding between Neshion Ltd (the Applicant) and Veri Energy, the Proposed Development could help provide renewable generation that supports future low-carbon fuel production at SVT, including hydrogen and e-fuels, and thereby contribute to the reuse of existing infrastructure and skills in a new energy system. This is important in a Shetland context because recent analysis cited in the report indicates that inaction at SVT could lead to substantial job losses across the Shetland economy, while an early shift to low-carbon fuel production could help underpin a successful transition.

The socio-economic benefits identified in this statement are substantial. During construction, the Proposed Development is forecast to generate or support approximately 396 job-years of employment in Shetland and £81 million in gross value added (GVA) over the two-year build period. Importantly, this value is expected to arise not only through on-site works, but also through local balance-of-plant activity, professional services, logistics and associated supply chain effects. In a Shetland context, the Proposed Development therefore represents a material opportunity to convert capital investment into local jobs, business participation and retained

economic value at a time when the islands face demographic pressure, labour-market constraints and continuing reliance on a relatively narrow economic base.

Over its 40-year operational life, the Proposed Development is expected to provide a significant long-term contribution. Annual operating expenditure is estimated at approximately £2.88 million, with around 90 % of this potentially retained within the Shetland economy. The Proposed Development could support a core operational workforce alongside additional indirect employment and generate an estimated lifetime local GVA contribution of around £310 million on an undiscounted basis. This is particularly important in policy and community terms because it means the Proposed Development would not deliver only short-term construction gains, but a long-duration stream of local expenditure, employment and wider community wealth-building benefits that could support resilience across the islands.

A key strength of the Proposed Development is that it has been designed not only to create value, but to maximise the proportion of that value retained locally and ‘ultra-locally’ (i.e. in Shetland and the communities nearest to the development). The report sets out a programme of interventions focused on local procurement, targeted supply-chain development, workforce growth, skills pathways and long-term engagement with Shetland businesses and institutions. This includes alignment with EmPowering Shetland commitments, support for the expansion of local operations and maintenance capability, engagement with local training providers including UHI Shetland, and the creation of clearer routes for local people to access jobs in renewables and related sectors. These measures are closely aligned with Shetland’s Fair Share principles and reflect the wider objective that energy developments in the islands should secure more meaningful local economic participation, local ownership opportunities and long-term community benefit than has often been achieved historically.

The Proposed Development would also deliver direct and visible benefits to local communities through its package of community engagement and empowerment measures. Of particular importance is the proposed Local Electricity Discount Scheme (LEDS), which responds directly to community concerns about high energy costs and fuel poverty. Community engagement undertaken by the Applicant indicates that reducing the burden of electricity costs is a clear local priority, and the proposed LEDS would provide eligible households and businesses in communities closest to the site with a direct discount on electricity bills. This is a significant feature of the Proposed Development’s wider value proposition because it links the presence of renewable infrastructure with practical, locally felt benefits for those most affected by it. Alongside LEDS, the Proposed Development also proposes community ownership options, ongoing engagement through a dedicated Community Liaison Officer role, and the potential to direct a share of long-term value into locally determined priorities.

Beyond jobs, spend and direct community benefit, the Proposed Development could support wider environmental and place-based outcomes. These include peatland restoration and associated local restoration capacity, biodiversity enhancement, support for lower-carbon heating and energy use, and the strengthening of Shetland’s role as a location for integrated clean energy solutions. The report also highlights the potential for the Proposed Development to support more efficient use of renewable generation and to contribute to a broader transition in which Shetland’s existing engineering strengths and industrial infrastructure are repurposed for low-carbon activity. In this sense, the Proposed Development should be understood as part of a wider transition pathway in which renewable generation, industrial decarbonisation, community benefit and local economic resilience are closely linked.

Overall, this statement concludes that the Proposed Development would deliver a meaningful and lasting socio-economic contribution to Shetland and would do so in a way that is strongly aligned with National Planning Framework 4 Policy 11(c), Scottish Renewables guidance and Shetland's own Fair Share Principles. Its value lies not only in the renewable electricity it would generate, but in the strategic role it could play in supporting SVT's transition, retaining more economic value within the islands, strengthening local skills and supply chains, and providing direct community benefits through measures such as LEDS. Subject to implementation of the commitments set out in this report, the Proposed Development has the potential to become an important example of how renewable energy development in Shetland can support decarbonisation, community wellbeing and long-term local economic resilience together.

## 2. Strategic Case for Intervention

### 2.1 Introduction

This Socio-Economic Statement has been prepared in support of the planning application for Neshion Energy Park (NEP) (the 'Proposed Development'). It sets out the likely socio-economic effects of the Proposed Development, the local and strategic context within which those effects would arise, and the programme of interventions proposed to maximise local benefit in line with National Planning Framework 4<sup>1</sup> (NPF4) Policy 11(c), a Fair Share for Shetland<sup>2</sup> (fair share principles) and Scottish Renewables guidance.

An important part of that case is the role the Proposed Development could play in supporting the wider decarbonisation and diversification of SVT, helping to connect renewable generation with longer-term industrial transition, skills retention and community benefit in Shetland.

The report outlines:

- the strategic need for the Proposed Development in the context of climate targets, energy security and Shetland's economic transition;
- the Proposed Development's potential catalytic role in enabling wider clean energy activity in Shetland, including support for the decarbonisation of SVT;
- the socio-economic context and the likely effects of the Proposed Development during construction, operation and decommissioning; and
- the commitments and monitoring arrangements proposed to maximise local supply chain participation, skills development, community benefit and wider long-term value.

### 2.2 The Need for Action

The need to deliver clean and green power is driven by binding climate targets, energy security imperatives, and socio-economic resilience. Onshore renewables in Shetland are not optional—they are essential to deliver Scotland's net-zero ambitions, protect communities from economic disruption, and harness one of Europe's richest renewable resources.

Scotland, and the United Kingdom, have made legally binding commitments to address the climate emergency and achieve net zero emissions. Scotland's Climate Change (Scotland) Act 2009<sup>3</sup> and subsequent Climate Change Plans<sup>4</sup> set a target of net zero by 2045, five years ahead of the UK's 2050 goal. These targets require a rapid and sustained reduction in greenhouse gas emissions across all sectors, with energy generation identified as a critical area for transformation.

<sup>1</sup> Scottish Government (2023) National Planning Framework 4. Adopted 13 February 2023. Available at: <https://www.gov.scot/publications/national-planning-framework-4/> [Accessed 08/06/2026]

<sup>2</sup> Shetland Islands Council Energy Transition Task Force (2024) A Fair Share for Shetland. Available at: [a-fair-share-for-shetland-independent-task-force-report-](https://www.shetland.gov.uk/a-fair-share-for-shetland-independent-task-force-report/) [Accessed 08/06/2026]

<sup>3</sup> Scottish Government (2009) Scotland's Climate Change Act (Scottish) 2009. Available at: <https://www.legislation.gov.uk/asp/2009/12/contents> [Accessed 08/06/2026]

<sup>4</sup> Scottish Government (2025) Scotland's Climate change Plan – 2026-2040. Available at: <https://www.gov.scot/publications/scotlands-climate-change-plan-2026-2040/> [Accessed 08/06/2026]



The UK Government’s *Clean Power 2030 Action Plan*<sup>5</sup> and Scotland’s *Energy Strategy and Just Transition Plan*<sup>6</sup> emphasise the urgent need to decarbonise electricity systems by 2035 and deliver clean power by 2030. This ambition is further reinforced by Scotland’s *Climate Change Plan (2026–2040)*<sup>7</sup>, which sets out the policies and proposals required to meet statutory carbon budgets and achieve net zero emissions by 2045, underpinned by the continued expansion of renewable electricity generation and a just transition across the economy. Onshore wind is recognised as one of the most cost-effective and scalable technologies to achieve these objectives. The Scottish Government’s *Onshore Wind Policy Statement*<sup>8</sup> sets an ambition for at least 20 GW of installed capacity by 2030, nearly doubling current levels. Shetland, with its exceptional wind resource and high capacity factors, is uniquely positioned to contribute to this target.

Shetland Islands Council (SIC) has formally recognised the global climate emergency and committed to a strategic programme that delivers a Just Transition, ensuring fairness while maximising social, economic, and environmental benefits. The Council’s *Climate Change Strategy (2023–2027)*<sup>9</sup> and net zero target for 2045 underscore the urgency of systemic change across energy, land use, and industry. Immediate priorities—such as renewable generation, green hydrogen development, and carbon literacy—reflect a clear mandate for collaborative action.

Beyond climate obligations, there are compelling economic and social drivers. The decline of oil and gas production threatens Shetland’s economic resilience, risking job losses, population decline, and reduced public services. Renewable energy development offers a pathway to retain skilled employment, diversify the economy, and sustain community wealth. Both Scottish and UK governments have committed to a Just Transition, ensuring that workers and communities dependent on carbon-intensive industries are supported through retraining and benefit-sharing mechanisms.

Energy security is another critical factor. Recent global energy price volatility has highlighted the vulnerability of fossil fuel reliance. Expanding domestic renewable generation reduces exposure to market shocks, stabilises energy costs, and strengthens national resilience.

There are also consequences of inaction, nationally and locally. If no action is taken, it risks:

- **Energy Vulnerability:** Continued reliance on fossil fuels undermines Scotland’s net-zero targets and exposes consumers to price instability.
- **Missed Opportunity:** Shetland would forgo its potential role as a national energy hub, losing inward investment and innovation leadership.
- **Economic Decline:** SVT and associated industries face decommissioning without replacement, leading to job losses and reduced local spending power.

<sup>5</sup> Department for Energy Security and Net Zero (2024) *Clean Power 2030 Action Plan: A New Era of Clean Electricity*. Published 13 December 2024. Available at: <https://www.gov.uk/government/publications/clean-power-2030-action-plan> [Accessed 08/06/2026]

<sup>6</sup> Scottish Government (2023) *Draft Energy Strategy and Just Transition Plan*. Published for consultation 10 January 2023. Available at: <https://www.gov.scot/publications/draft-energy-strategy-transition-plan/> [Accessed 08/06/2026]

<sup>7</sup> The Scottish Government (2026). *Scotland’s Climate Change Plan: 2026–2040*. [online] Gov.scot. Available at: <https://www.gov.scot/publications/scotlands-climate-change-plan-2026-2040-annexes/>. [Accessed: 08/06/2026]

<sup>8</sup> Scottish Government (2022) *Onshore Wind Policy Statement 2022*. Available at: <https://www.gov.scot/publications/onshore-wind-policy-statement-2022/> [Accessed 08/06/2026]

<sup>9</sup> Shetland Islands Council (2023) *SIC Climate Change Strategy 2023–2027*. Approved 13 December 2023. Available at: <https://www.shetland.gov.uk/climate-change/sic-climate-change-strategy> [Accessed 08/06/2026]



## 2.3 Energy Transition in Action

The Proposed Development is located in the north of mainland Shetland. The Proposed Development would cover a total area of approximately 303 hectares to the east of SVT with a total of 8 wind turbine generators with a maximum tip height of 200 m, a Battery Energy Storage System (BESS), access tracks and other energy-related infrastructure. The total generating capacity of the energy park would be over 50 MW.

The Proposed Development is firmly aligned with Scotland's statutory planning framework. NPF4<sup>1</sup>, adopted in 2023, sets out the spatial strategy for Scotland to 2045 and integrates climate and nature priorities into all planning decisions. It establishes a strong presumption in favour of renewable energy development under Policy 11 – Energy, which requires projects to:

- Contribute to national decarbonisation targets;
- Maximise socio-economic benefits for local communities; and
- Support a fair and inclusive transition to net zero.

NPF4 also identifies the urgent need for large-scale renewable generation and associated infrastructure to meet Scotland's climate commitments. These developments are designated as National Developments, giving them enhanced weight in planning decisions. Among the National Developments listed in NPF4 is the "Energy Innovation Development on the Islands", which recognises island communities such as Shetland as priority areas for energy innovation. This designation reflects:

- **Exceptional Renewable Resource:** Shetland's wind regime and marine potential make it ideal for integrated energy systems.
- **Innovation Opportunities:** Development of hydrogen production, carbon capture and storage (CCS), and energy storage technologies.
- **Infrastructure Needs:** Improved grid connectivity, including High Voltage Direct Current (HVDC) links, to enable export of renewable power to Mainland Scotland.
- **Economic and Social Benefits:** Ensuring local communities share in the benefits through employment, skills development, and community wealth-building.

By aligning with NPF4 and the Energy Innovation Development on the Islands designation, the Proposed Development is positioned as an important component of Scotland's net-zero pathway. It strengthens Shetland's role as a national energy hub and ensures that the transition delivers tangible benefits for local communities and the wider economy.

## 2.4 Neshion Energy Park as a Catalyst

This section sets out the strategic context for Proposed Development's role as a catalyst for Shetland's energy transition and demonstrates its alignment with national and local policy frameworks. The appraisal is structured as follows:

- First, it examines the Proposed Development's catalytic role in enabling wider clean energy development, including hydrogen, storage, and carbon capture.
- Then it considers its specific contribution to the decarbonisation of SVT. Ultimately, it assesses how the Proposed Development is structured to deliver a fair and equitable distribution of economic benefit to Shetland's communities.

Together, these sections demonstrate that the Proposed Development is not simply a wind energy project but a strategically significant infrastructure investment that accelerates Scotland's net zero transition while embedding lasting socio-economic value locally.

The Scottish Government's Climate Change Plan (2026–2040) sets out a pathway to achieve net zero by 2045 through systemic transformation across energy, transport, buildings, industry, and land use. The Proposed Development is uniquely positioned to act as a catalyst for this transition in Shetland, delivering tangible progress against national policy objectives while embedding local socio-economic benefits.

The importance of Shetland as a strategic energy hub for Scotland's net-zero is evident through the designation of Shetland as a priority area for energy innovation in Scottish Planning Policy<sup>10</sup>. The area is specifically highlighted for:

- **Renewable Energy Expansion:** Offshore and onshore wind, marine energy, and hybrid systems.
- **Energy Innovation:** Development of hydrogen, carbon capture, and storage technologies.
- **Grid Infrastructure:** HVDC cable upgrades to connect Shetland's renewable capacity to Mainland Scotland.
- **Decarbonised Transport:** Electrification and low-carbon fuels for ferries and freight.

The Proposed Development represents a pivotal development in Shetland's energy transition, acting as a catalyst for wider decarbonisation and innovation. Its strategic role extends beyond the delivery of onshore wind capacity; it is designed to unlock a suite of complementary projects that could help transform Shetland into a national energy hub.

#### 2.4.1 Catalytic Role in Energy Transition

The Proposed Development stands at the centre of Shetland's transformation from a region historically reliant on oil and gas to one leading the UK's clean energy transition. This catalytic role is underpinned by a combination of exceptional natural resources, progressive local policy, and strategic infrastructure investment.

**Anchor for Future Clean Energy Projects:** The Proposed Development's onshore wind generation capacity leverages Shetland's world-class wind resource, with capacity factors regularly exceeding 45–50%, far above the UK average (SSEN Transmission, 2023<sup>11</sup>). This reliable, low-carbon electricity supply forms the foundation for a new generation of energy projects, including green hydrogen and e-fuels production, large-scale energy storage, and carbon capture initiatives. The region's marine engineering expertise and recent infrastructure upgrades, such as the HVDC link to Mainland Scotland, provide the technological backbone for these developments.

**Hydrogen Production:** The Proposed Development's renewable output is essential for green hydrogen production at SVT, and a Memorandum of Understanding is in place between the Applicant and Veri Energy to explore joint development of a private wire link between the projects. The importance of the Proposed Development to UK energy policy is evidenced by the

<sup>10</sup> Scottish Government (2014) Scottish Planning Policy. Published June 2014. Available at: <https://www.gov.scot/publications/scottish-planning-policy/> [Accessed: 08/06/2026]

<sup>11</sup> SSEN Transmission (2023) Scottish Hydro Electric Transmission plc: Annual Report and Financial Statements for the year ended 31 March 2023. Available at: <https://www.ssen-transmission.co.uk/globalassets/information-centre-media/financial-information/statutory-financial-accounts/shet-plc-financial-statements-2023.pdf> [Accessed: 08/06/2026]

£1.74 million UK Net Zero Hydrogen Fund award to Veri Energy for a 50 MW hydrogen Front-End Engineering and Design (FEED) study (UK Government, 2024<sup>12</sup>). This supports Scotland's Hydrogen Action Plan<sup>13</sup>, which targets 5 GW of renewable and low-carbon hydrogen by 2030. This development could see SVT becoming the first UK low-carbon fuels hub, repurposing existing infrastructure and workforce to meet local and national fuel demands in difficult to decarbonise sectors.

**Energy Storage:** The integration of BESS with the Proposed Development would help manage intermittency, optimise energy flows, reduce curtailment and optimising potential hydrogen production, alongside supporting Shetland's ambition to become a net exporter of clean electricity (SSEN Transmission, 2023<sup>11</sup>).

**Addressing Workforce and Skills Challenges:** While the sector faces challenges such as an ageing population and skills shortages, the Proposed Development is helping to drive local training initiatives—including turbine technician apprenticeships at University of Highlands and Islands (UHI) Shetland—and engaging with Highlands and Islands Enterprise (HIE) in their goals to map and strengthen the local supply chain. This ensures that the transition delivers not only environmental benefits but also sustainable employment and skills development for Shetland's residents. Research by the Centre for Energy Policy at the University of Strathclyde has also shown that the transition of SVT to a low-carbon fuels hub could protect up to 350 jobs across Shetland in the 2030s<sup>14</sup>.

**Evidence of Systemic Impact:** The Scottish Government's NPF4 designates Shetland as a priority area for energy innovation, specifically citing the need for integrated projects that combine renewables, hydrogen, and storage (Scottish Government, 2023).

The region's unique geography and engineering expertise make it an ideal proving ground for next-generation energy solutions, positioning Shetland at the forefront of the UK's net zero ambitions.

#### 2.4.2 Decarbonisation of Sullom Voe

Employing around 500 people, SVT remains a cornerstone of Shetland's economy, but its future depends on a rapid shift away from fossil fuels. SVT is moving from oil dominance to a diversified clean-energy hub. The transition is framed as an opportunity to retain jobs, attract investment, and deliver community wealth, but timing and funding remain critical. Current workforce numbers have reduced significantly from historic highs (hundreds during peak oil years) and the current operators, EnQuest and Veri Energy, aims to retain skilled jobs by transitioning workers into CCS, hydrogen, and renewables projects. The challenge however is to act quickly to develop a viable business and to ensure that as oil declines, jobs are not just retained but created. Research by the Centre for Energy Policy at Strathclyde University<sup>15</sup> suggests low-carbon fuel production could support up to 155 jobs across Shetland's economy, including direct roles in hydrogen and e-

<sup>12</sup> Department for Energy Security and Net Zero (2024) Net Zero Hydrogen Fund: Strand 1 and Strand 2. Published 18 May 2022, last updated 27 February 2024. Available at: <https://www.gov.uk/government/publications/net-zero-hydrogen-fund-strand-1-and-strand-2> [Accessed: 08/06/2026]

<sup>13</sup> Scottish Government (2022) Hydrogen Action Plan. Published December 2022. Available at: <https://www.gov.scot/publications/hydrogen-action-plan/> [Accessed: 08/06/2026]

<sup>14</sup> Turner, Karen and Karim, Abdoul and Katris, Antonios and Gonzalez-Martinez, Paulina (2026) An Early Shift to Low-Carbon Fuel Production at the Sullom Voe Terminal ('SVT') Could Provide the Backbone for a Successful Transition of the Shetland Economy. Centre for Energy Policy (CEP) University of Strathclyde, Glasgow. <https://strathprints.strath.ac.uk/95477/> [Accessed: 08/06/2026]

<sup>15</sup> Turner, K., Zanhoun, A.K., Katris, A. and Corbett, H. (2024) Maximising the Benefits for Shetland's Economy and Long-Term Sustainability of Transitioning to Green Hydrogen Production Using Renewable Wind Power. Policy Brief. Centre for Energy Policy, University of Strathclyde, January 2024. Available at: <https://www.strath.ac.uk/humanities/centreforenergypolicy/ourpublications/policybriefs/> [Accessed: 08/06/2026]

methanol production (estimated 38 direct jobs by 2030). If this opportunity to repurpose the infrastructure at SVT is lost, the implications for Shetland's economy are stark. Further research by the Centre for Energy Policy found that an early shift to low-carbon fuel production at SVT could provide the backbone for a successful transition of the Shetland economy. Economic modelling demonstrates that this transition would save up to 350 direct and indirect jobs across Shetland in the 2030s<sup>16</sup>.

The diversification of activity at SVT has been directly and indirectly supported by SIC, HIE, the Scottish Government and the UK Government. UK Government Net Zero Hydrogen Fund provided Veri Energy with £1.74 million to undertake a FEED study for a 50 MW green hydrogen project at the terminal. The Net Zero Technology Centre (in Aberdeen) and its Energy Hubs project has supported Veri Energy's programme to advance investable e-fuel production and hydrogen modelling at SVT.

The Proposed Development provides the opportunity to accelerate EnQuest and Veri Energy's decarbonisation plans. Neshion Ltd ('the Applicant') has signed a Memorandum of Understanding with Veri Energy to explore direct energy supply arrangements, bringing forward the timeline for electrification and enabling hydrogen and e-fuel production at scale. This partnership underscores the Proposed Development's potential catalytic role in ensuring that SVT's transition is enabled by a major renewable generation supply adjacent to the Terminal.

#### 2.4.3 Contribution to Shetland's Fair Share Principles

Recent experience with island wind projects has highlighted a fundamental distributional issue: the wealth generated by Shetland's natural resources has not been retained within the community that hosts the infrastructure. In 2022, three wind-farm developers collectively paid £56 million in option fees for seabed and land rights, all of which accrued to the Scottish Government rather than to Shetland. This imbalance has prompted SIC to adopt a structured policy response to ensure future projects deliver tangible local benefit.

The Proposed Development is explicitly designed to meet the requirements of both the SIC's Fair Share Principles<sup>2</sup> and the Energy Development Principles (adopted 2022<sup>17</sup>), a policy framework ensuring that the economic and social benefits of renewable energy projects are retained within the islands. In 2025 SIC also published an 'Analysis of Community Benefits', which recommended that Shetland should target both a guaranteed minimum community benefit payment and a share of gross revenue from future onshore wind projects<sup>18</sup>. A Development Charter for Shetland is in draft at the time of writing (June 2026), which pulls together many of SIC's ambitions and objectives for securing a fair share from future Development in Shetland.

The Applicant has structured the project from the outset to comply with three core requirements that demonstrate alignment with these local policy goals:

- **£7.3k per MW of installed capacity of Community Benefit Funding:** In line with the recommendation of 'A Fair Share for Shetland' the Applicant commits to providing a level of Community Benefit funding above the industry standard of £5k per MW of installed capacity.

<sup>16</sup> <https://strathprints.strath.ac.uk/95477/1/Turner-et-al-CEP-2026-An-early-shift-to-low-carbon-fuel-production.pdf>

<sup>17</sup> Shetland Islands Council (2022) Shetland Energy Development Principles. Approved by full Council 14 December 2022. Available at: <https://www.shetland.gov.uk/climate-change-3/shetland-energy-development-principles> [Accessed 08/06/2026]

<sup>18</sup> Shetland Islands Council (2025) Elected Member Briefing – Analysis of Community Benefits in Shetland – Updated on Recommendations – Briefing Note. Available at: <https://www.shetland.gov.uk/downloads/file/11081/analysis-of-community-benefits-in-shetland-update-on-report-recommendations> [Accessed 08/06/2026]

In response to community feedback, this funding would mostly be allocated to a Local Electricity Discount Scheme for the local area.

- **Shared ownership opportunities:** The development model includes provision for shared ownership, enabling local residents and organisations to take a direct financial stake in the Proposed Development, fostering long-term community engagement and democratic participation in its governance. The Applicant has an ambition to make at least 5% of the Proposed Development available for shared community ownership – thus securing the revenue share recommended in the Analysis of Shetland Community Benefits.
- **Prioritisation of local supply chains:** The Applicant is actively working with HIE and the EmPowering Shetland partnership group to identify and maximise opportunities for Shetland-based businesses across construction, operation, and maintenance phases.

To address the historic imbalance, SIC has entered a partnership with the Scottish and UK Governments aimed at delivering net-zero objectives through a Just Transition framework. The partnership seeks to ensure that national decarbonisation does not come at the expense of local welfare. Practical benefits for residents include lower household energy costs, improved energy security, and the reinvestment of development revenues into community priorities such as affordable warmth and transport resilience.

The Applicant also supports workforce transition by creating pathways for oil and gas employees to move into renewables and low-carbon technologies, consistent with Scotland's Just Transition framework (Scottish Government, 2023<sup>6</sup>).

### 3. Appraisal Approach

The appraisal methodology has been designed to provide a robust, transparent and proportionate assessment of the socio-economic effects of the Proposed Development, consistent with national planning policy and industry best practice. The approach supports informed decision-making and demonstrates how the Proposed Development aligns with Scotland's strategic objectives for renewable energy deployment, sustainable development and a just transition to net zero.

#### 3.1 Appraisal Methodology

This section sets out the methodology underpinning the socio-economic appraisal submitted in support of the planning application. The appraisal has been prepared as a stand-alone report, in line with Scottish Renewables guidance<sup>19</sup> on streamlining Environmental Impact Assessment (EIA) for onshore wind, which recommends that socio-economic considerations are addressed separately from the EIA Report. This approach is consistent with commitments under the Onshore Wind Sector Deal and reflects the distinct nature of socio-economic effects relative to environmental impacts.

#### **Strategic Case and Policy Context**

The appraisal is grounded in a review of the strategic and policy context within which the Proposed Development is being brought forward. This includes national energy and planning policy, notably the Scottish Government's Onshore Wind Policy Statement (2022), NPF4, and

<sup>19</sup> Scottish Renewables (2025) Guidelines on Streamlining Environmental Impact Assessment for Onshore Wind Farms September 2025. Available at: [https://www.scottishrenewables.com/assets/000/005/061/Streamlining\\_EIA\\_Guidance\\_September\\_2025\\_original.pdf?1758009802](https://www.scottishrenewables.com/assets/000/005/061/Streamlining_EIA_Guidance_September_2025_original.pdf?1758009802) [Accessed 08/06/2026]

relevant Local Development Plan policies. Together, these establish the need for the Proposed Development and frame the appraisal within Scotland's wider objectives for net zero, energy security and economic opportunity arising from renewable energy investment.

### **Methodology and Alignment to Policy**

A proportionate, evidence-based appraisal framework has been adopted, consistent with established good practice for socio-economic assessment of onshore wind developments. The methodology identifies and assesses key impact pathways associated with the construction and operational phases of the development, including employment, GVA, supply chain effects and community benefit.

The approach emphasises clarity and transparency in reporting, ensuring that assumptions, methods and findings are accessible to decision-makers, statutory consultees and the wider public. Where appropriate, gross impacts are adjusted to reflect displacement, leakage and additionality in order to identify net economic effects.

### **Socio-Economic Baseline and Context**

A socio-economic baseline has been established for the study area using the most recent available data from sources including the Scottish Government, Office for National Statistics and local authority economic profiles. The baseline describes existing conditions across key indicators such as employment, economic activity, industry structure, deprivation and demographic trends, providing the counterfactual against which the Proposed Development's impacts are assessed.

### **Programme of Interventions to Maximise Socio-Economic Impacts**

The appraisal considers the programme of measures proposed by the developer to maximise socio-economic benefits over the construction and operational phases of the Proposed Development. These measures include local employment and skills initiatives, supply chain engagement and procurement strategies, and community benefit arrangements. The programme has been developed with reference to local economic priorities and stakeholder engagement and is intended to support the retention of economic value within the local and regional economy wherever practicable.

### **Assessment of Socio-Economic Effects**

Likely socio-economic effects are assessed both quantitatively and qualitatively, with consideration given to direct, indirect and induced impacts. The significance of effects is determined with reference to their scale and duration relative to the baseline economic context. The assessment provides a clear and proportionate account of the contribution the Proposed Development is expected to make to the local and regional economy.

### **Conclusions**

The appraisal conclusions draw together the findings of the assessment to present the overall socio-economic case for the Proposed Development. They demonstrate that the Proposed Development has the potential to deliver meaningful and lasting economic benefits, and that the proposed programme of measures is well-suited to maximising those benefits in line with policy and guidance.

### **3.2 Alignment with Scottish Renewables Guidance on ‘Maximising Net Economic Benefits’**

This appraisal has been prepared in accordance with the Scottish Renewables Maximising Net Socio-Economic Benefit of Renewable Energy: Guidance and Reporting Framework<sup>20</sup>, which sets out how developers should comply with NPF4 Policy 11c. The guidance requires developers to demonstrate not only that socio-economic benefits will arise, but that they will be actively maximised through a planned and place-based approach.

Consistent with this guidance, the appraisal avoids a generic checklist approach and instead tailors interventions to the characteristics of the Proposed Development, the local and regional economic context, and the priorities of host communities. Socio-economic benefits are considered across the four thematic areas set out in the Onshore Wind Sector Deal: supply chain development; skills and workforce development; community empowerment; and environmental protection and enhancement.

Community benefit commitments have been developed in line with Scottish Government Good Practice Principles, in line with Shetland Fair Share Principles. The appraisal also sets out arrangements for monitoring and reporting, consistent with the guidance’s emphasis on transparency and long-term accountability for outcomes.

### **3.3 Alignment with National Planning Framework Policy 11(c)**

The appraisal aligns closely with NPF4 Policy 11(c), which supports renewable energy development where proposals maximise net economic impact and deliver meaningful local and community socio-economic benefits. In particular, the appraisal provides evidence of how the Proposed Development would contribute to:

- employment and skills development;
- local and regional supply chain participation; and
- wider community wealth-building outcomes.

This reflects the policy’s shift from a passive demonstration of benefits to a requirement for a proactive and structured approach to benefit maximisation.

The appraisal also demonstrates alignment with NPF4’s wider objectives, including support for Scotland’s net zero targets and energy transition, a place-based approach that delivers tangible benefits for Shetland communities, and integration of environmental stewardship through measures such as biodiversity enhancement and peatland restoration.

The overall approach is consistent with Scottish Renewables EIA streamlining guidance, which promotes proportionate, evidence-based assessment focused on likely significant effects and supports the preparation of socio-economic appraisal as a stand-alone report accompanying the planning application.

<sup>20</sup> Scottish Renewables (2018) Maximising Net Socio-Economic Benefit of Renewable Energy: Guidance and Reporting Framework — Guidance for developers to comply with NPF4 Policy 11c. Scottish Renewables, Edinburgh. Available at: [https://www.scottishrenewables.com/assets/000/004/592/2025.03.18\\_Maximising\\_Net\\_Socio-Economic\\_Benefit\\_Reporting\\_Framework\\_original.pdf?1742308718](https://www.scottishrenewables.com/assets/000/004/592/2025.03.18_Maximising_Net_Socio-Economic_Benefit_Reporting_Framework_original.pdf?1742308718) [Accessed 08/06/2026]



## 4. Socio-Economic Context

### 4.1 Population and Demography

The Shetland Islands are home to approximately 22,986 people, forming a remote archipelago situated in the North Sea to the northeast of Mainland Scotland. Population growth has been markedly slower than the Scottish average: the islands grew by just 4 % between 2001 and 2022, against a Scottish average of 7 %, and have since experienced a slight decline of 0.79 % between the 2011 and 2022 Censuses, compared with growth of 2.66 % nationally<sup>21</sup>.

The age structure is shifting in ways that pose a long-term economic challenge. According to the Scottish Census 2022<sup>22</sup> approximately 60 % of residents are of working age, 18 % are under sixteen, and nearly 22 % are over sixty-five — a profile that is ageing more rapidly than the national average. Out-migration is most pronounced in late adolescence, peaking at nineteen years old. Although some return after the age of twenty-four, the sustained net loss of young adults has reduced the economically active share of the working-age population from 76 % in 2001 to 65 % in 2022, a fall of thirteen percentage points compared with nine percentage points nationally.

According to the Scottish Index of Multiple Deprivation (SIMD)<sup>23</sup>, the Shetland Islands is, by national standards, a relatively affluent local authority area<sup>24</sup>. However, that headline masks pockets of disadvantage linked to high living costs and availability of housing, fuel poverty and limited career options beyond traditional sectors. The most notable exception to the average is Lerwick, particularly the north of the town. Income deprivation rates in these zones reach 11 % and employment deprivation rates up to 16 %, considerably higher than rural parts of the islands where equivalent rates are typically 2–5 %. Crime domain ranks are also markedly lower in central and north Lerwick compared to rural Shetland, where many data zones record crime domain ranks above 6,000, placing them among the least crime-deprived areas in Scotland.

### 4.2 Economy and Employment

The Shetland Economic Accounts (2017)<sup>25</sup> placed Gross Regional Domestic Product at £584 million, or approximately £25,400 per capita — marginally above the Scottish mean. The economy is outward-facing, with exports exceeding imports by £175 million in 2017. Aquaculture and fishing together accounted for nearly 40% of export value, reflecting a significant structural dependence on a narrow range of primary industries. Schools, construction, retail, social work and public administration currently provide the majority of jobs, while aquaculture, retail and public administration generate the greatest value added<sup>25</sup>.

Wages support approximately 70 % of household income. Despite low headline unemployment, the shrinking labour pool represents a strategic vulnerability for large-scale construction and operations-and-maintenance developments. The combination of demographic decline, skills

<sup>21</sup> Scottish Government (2025) Rural Scotland — trajectories of young people and young adults: report. Available at: <https://www.gov.scot/publications/migration-mobilities-trajectories-young-people-young-adults-rural-scotland/pages/3/> [Accessed 08/06/2026]

<sup>22</sup> National Records of Scotland (2022) Scotland's Census 2022. National Records of Scotland, Edinburgh. Available at: <https://www.scotlandscensus.gov.uk> [Accessed 08/06/2026]

<sup>23</sup> Scottish Government (2020) Scottish Index of Multiple Deprivation 2020. Available at: <https://www.gov.scot/collections/scottish-index-of-multiple-deprivation-2020/> [Accessed 08/06/2026]

<sup>24</sup> Across the 30 data zones in the dataset, SIMD 2020 overall ranks range from 1,774 to 5,499 out of 6,976 data zones nationally, with the majority falling within deciles 6 to 8 and no data zone recorded within the two most deprived deciles. This places most of Shetland firmly in the upper half of the national deprivation distribution

<sup>25</sup> Shetland Islands Council (2017) Shetland Economic Accounts.

leakage, and sectoral concentration means the local labour market has limited capacity to absorb major demand shocks without drawing on Mainland workers.

### 4.3 Energy Costs and Fuel Poverty

Shetland's electricity supply is currently dominated by the ageing diesel-fired generating station at Lerwick, leaving residents exposed to some of the highest energy costs in the United Kingdom. Under the current price cap, the typical Shetland household pays approximately £4,740 per year for energy — more than twice the UK average of £2,074 — and 66 % of residents would be in fuel poverty without the cap, against a Scottish policy target of below 5 %<sup>26</sup>. Average domestic electricity consumption is around 21,000 kWh per year, well above the UK norm of approximately 15,000 kWh, driven by colder weather, the absence of mains gas, and poor insulation. These conditions make reliable, affordable electricity a primary social concern and a key dimension against which new energy development in Shetland is assessed.

### 4.4 Housing

The 2022 Housing Stock Survey records 10,576 dwellings across the islands, comprising 9,574 houses or bungalows, 972 flats and apartments, and 30 caravans or temporary structures. Owner-occupation is the dominant tenure, with 7,204 homes owned in some form; the remainder are rented privately or through social landlords. Three-bedroom houses account for 41% of all dwellings, broadly reflecting the national tenure mix<sup>27</sup>.

Affordability has become a growing concern. Average property prices reached £207,183 in early 2025, approximately £21,000 above the Scottish mean of £185,870. Prices have risen by 55 % over the past decade, outpacing the national rate of 46 % by nine percentage points. The private rental market is small and subject to seasonal pressure from the tourism sector. The SIC Local Housing Strategy 2022–27 prioritises expanding affordable housing supply across all tenures in response to these affordability pressures.

There are no settlements within the Proposed Development boundary, and no acquisition or demolition of residential properties would be required because of the development.

### 4.5 Education and Skills

Compulsory schooling in Shetland consists of 26 primary schools, seven junior-high schools, and two high schools, which provide the senior phase to S6. Examination attainment is broadly in line with the Scottish average. However, the key structural issue arises post-school: almost half of school-leavers move to the Mainland for further and higher education, and relatively few return, reinforcing the long-standing loss of residents in their twenties.

UHI Shetland delivers degree and vocational courses in engineering, renewable energy and maritime studies. Enrolment in technical programmes remains modest, in part because students lack confidence that suitable local employment would be available on graduation. This creates a self-reinforcing cycle: skills leave the islands, and the absence of high-value technical roles deters new cohorts from investing in local training pathways.

<sup>26</sup> Shetland Islands Council (2023) Shetland Forward.

<sup>27</sup> Shetland Islands Council (2022) Local Housing Strategy 2022–2027. Available at: <https://www.shetland.gov.uk/shetland%E2%80%99s-population-balance/local-housing-strategy-2022-27> [Accessed 08/06/2026]

## 4.6 Supply Chain and Local Content

Supply chain capability is well established in marine services, civil engineering and fabrication. However, evidence from previous wind projects in Shetland demonstrates that, without explicit local-content requirements, only approximately 8 % of total contract value is typically retained on the islands, with a further 27 % captured elsewhere in Scotland and the wider UK<sup>25</sup>. The majority of economic benefit from large infrastructure investment therefore leaks off-island by default.

There are no Tier-1 manufacturers — including turbine or battery producers — based in Shetland. Major components must be imported, generally via Lerwick Harbour. Local competitive strengths are concentrated in Balance-of-Plant activities — civils, ground preparation, access tracks, grid cabling — and in professional services such as engineering design, project management and environmental compliance, where local firms have built capacity through previous energy projects.

## 5. Programme of Interventions to Maximise Socio-Economic Benefit

The following commitments are made to ensure the socio-economic benefits delivered by the Proposed Development are maximised at every stage in its lifecycle, to the benefit of the local and wider communities. These are described in more detail in the following sections and set in the context of the local need addressed and the outcomes expected.

### 5.1 Overview

#### Supply Chain

| Commitment                                               | Summary of the commitment                                                                                                                                 |
|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Maximise Local Spend (EmPowering Shetland)</b>        | Commit to maximising ultra-local and local content in procurement, signing up to voluntary "EmPowering Shetland" supply chain commitments where possible. |
| <b>Early and Proactive Local Supply Chain Engagement</b> | Commit to early, transparent and ongoing engagement with Shetland suppliers so they can prepare for and access development opportunities.                 |
| <b>Targeted Procurement</b>                              | Commit to shaping procurement to favour local capability, including negotiating with OEMs to secure local contracts and training opportunities.           |
| <b>Increase Applicant Supply Chain Capacity</b>          | Commit to expanding Applicant's operations and maintenance capacity to strengthen the local renewables supply chain.                                      |

#### Skills & Workforce

| Commitment                                    | Summary of the commitment                                                                                                                                                   |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Grow Local Workforce</b>                   | Commit to attracting new workers to Shetland by widely advertising jobs and working with Promote Shetland to support inward recruitment.                                    |
| <b>Just Transition from Traditional Roles</b> | Commit to improving gender equality, inclusion and diversity in development related employment, particularly in technical and leadership roles.                             |
| <b>Retention of Young People in Shetland</b>  | Commit to supporting pathways into STEM and renewables for young people through schools engagement, science fairs, careers events, graduate placements and apprenticeships. |

**Community Engagement and Empowerment**

| <b>Commitment</b>                             | <b>Summary of the commitment</b>                                                                                                                                              |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Understand and Address Local Needs</b>     | Commit to ongoing community engagement, retaining a Community Liaison Officer, introducing a Local Electricity Discount Scheme (LEDS), and exploring participatory budgeting. |
| <b>Ongoing Engagement</b>                     | Commit to maintaining meaningful engagement throughout the development lifetime, including visitor days, energy literacy initiatives and support for energy efficiency.       |
| <b>Community Ownership</b>                    | Commit to offering the possibility of a community ownership stake in the Proposed Development up to final investment decision.                                                |
| <b>Shared Ownership (via Local Authority)</b> | Commit to discussing shared ownership with the local authority to enable wider public benefit, if feasible.                                                                   |

**Environmental Protection and Enhancement**

| <b>Commitment</b>                                               | <b>Simple summary of the commitment</b>                                                                                                                                                                          |
|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Habitat Management – Peatland Restoration</b>                | Commit to maximising peatland restoration and enhancement on land under applicant control thereby creating jobs and building long-term local restoration capacity.                                               |
| <b>Habitat Management – Biodiversity Enhancement</b>            | Commit to delivering biodiversity enhancements in line with NatureScot guidance (where relevant) and SIC's Biodiversity Enhancement advice especially targeting otters, wader bird species, and nature networks. |
| <b>Support Decarbonisation Initiatives – E-fuels</b>            | Commit to supplying electricity to support e-fuel production at SVT, enabling wider industrial decarbonisation.                                                                                                  |
| <b>Support Decarbonisation Initiatives – Low-Carbon Heating</b> | Commit to incentivising a shift to low-carbon heating through LEDS and energy literacy initiatives.                                                                                                              |
| <b>Creation of Green Infrastructure</b>                         | Commit to providing on-site recreational access (e.g. walking routes) where agreed with the landowner and local community.                                                                                       |

**5.2 Supply Chain**

Shetland has a long-standing history of energy infrastructure development, beginning with the construction of the SVT in the 1970s and continuing with the Shetland Gas Plant and Viking Energy Wind Farm. These projects have created jobs and attracted investment but have also posed challenges related to geography and capacity. Major capital projects have often strained Shetland's housing, in some cases causing the local economy to overheat. This sustained development has however resulted in a robust local supply chain, offering a wide range of services across multiple sectors.

HIE and other public agencies have outlined a development pipeline extending to 2040, comprising more than 25 planned projects across sectors such as housing, the space industry, port infrastructure and public works. Most of these projects are linked to renewable energy, with approximately 3.6 GW of capacity scheduled for delivery.

Construction activity is expected to peak between 2028 and 2032, making coordination and clear communication essential to maximise local expenditure and avoid bottlenecks. The Sullom Voe

Development Framework<sup>28</sup>, which includes developers like the Applicant and public agencies, aims to facilitate effective planning for future development near SVT.

Construction of the Proposed Development is planned for 2028-2030, pending consent. As this coincides with the anticipated peak construction period, proactive measures would be necessary to secure maximum local supply chain content for the Proposed Development. To facilitate this, the Applicant has identified the following activities and commitments which would be delivered if the Proposed Development is consented.

#### 5.2.1 Maximise Local Spend (Supply Chain commitments - 'EmPowering Shetland')

##### Local Need

Shetland has faced ongoing challenges in securing meaningful local content for large-scale developments. Problems highlighted by local companies and HIE include late engagement from developers and their Tier 1 contractors, a lack of understanding regarding the scale and capability of Shetland's supply chain, and procurement strategies that restrict opportunities for local businesses. Definitions of local content have been diluted, and there is limited leverage to enforce use of local suppliers. These issues have led to efforts to clarify the meaning of 'local content' and to set expectations for developers.

##### Commitment

EmPowering Shetland – a partnership between SIC, HIE, UHI Shetland and local industry – has been established as Shetland's interface for large-scale developers and tasked with implementing the Energy Development Principles and aims of 'A Fair Share for Shetland'. Integrating local supply chain into large-scale developments and securing associated benefits are core aim of these principles.

HIE, in partnership with local Shetland companies, was tasked by EmPowering Shetland to develop voluntary supply chain commitments for developers to provide a framework for delivering supply chain integration, with the aim of increasing opportunities for genuinely local businesses. The Applicant intends to sign up to as many of these commitments as possible by the time construction begins, subject to the evolution of the 'EmPowering Shetland' supply chain commitments. If the Proposed Development is consented and proceeds, the Applicant would aim to maximise local content opportunities to ensure Shetland businesses are as fully integrated as possible into the delivery of the development.

##### Activities

It is expected that the commitments could include measures such as:

- Engaging with Shetland's supply chain before determining procurement strategy and key development decisions.
- Participating in supply chain mapping to understand capability and capacity.
- Supporting local engagement events throughout development to allow businesses time to prepare, scale, and enhance their capabilities.
- Adapting procurement and tender assessment criteria to increase opportunities for local content and working with local firms to become approved suppliers.
- Increasing the response time for local suppliers on tenders, tailored to contract complexity.
- Prioritising local suppliers where possible, with clear justification required for non-local suppliers; Tier 1 contractors will be expected to follow these approaches.

<sup>28</sup> Sullom Voe Development Framework (2025). Sullom Voe Development Framework. [online] [Sullomvoedevelopmentframework.co.uk](https://sullomvoedevelopmentframework.co.uk/). Available at: <https://sullomvoedevelopmentframework.co.uk/>. [Accessed 08/06/2026]

- Structuring work packages to match local capability, including splitting larger scopes where viable and considering joint ventures to support direct Tier 1 awards.
- Working with local partners to consider support for boosting supply chain capability, skills, and infrastructure.

### Outcomes

There remains uncertainty as the commitments and procurement strategy are still under development and will continue to evolve in conjunction with EmPowering Shetland and the local supply chain. The intended outcomes are to maximise local content, ensure local content is prioritised wherever possible, and provide clear processes that enable Shetland businesses to benefit directly from future capital projects. The ambition is for the Proposed Development to lead the way in delivering these commitments as far as possible. The final scope of commitments is yet to be determined.

#### 5.2.2 Early and proactive local supply chain engagement

### Local need

Shetland suppliers have historically experienced delayed and inconsistent engagement from project developers, which has hindered their involvement in major capital works and led to minimal inclusion of local content. The absence of a native Tier 1 supplier for significant Shetland projects has further contributed to local businesses feeling marginalised and frequently overlooked during procurement processes.

### Commitment

The Applicant is committed to engaging with the local supply chain early and meaningfully at every stage of the development. The strategy would be proactive, open, and collaborative, ensuring that local expertise is acknowledged and given priority throughout the procurement process.

### Activities

It is expected that the commitments could include measure such as:

- Organise supplier workshops and 'Meet the Developer' events at the outset of development.
- Share comprehensive development details, including work packages, timelines, and expectations as available, enabling suppliers to make informed decisions and competitive bids.
- Invite all relevant Shetland suppliers, utilising HIE's supply chain mapping and local contacts.
- Facilitate open discussion and Q&A sessions for suppliers to showcase their capacity and expertise.
- Identify and prioritise opportunities to strengthen the local supply chain through the Proposed Development's procurement strategy.

### Outcomes

Local businesses would benefit from improved access to development opportunities, ensuring they are actively involved from the earliest stages. As a result, the proportion of local content within the supply chain would increase, and Shetland's suppliers would be able to expand their capabilities and expertise. The procurement environment would be transparent and cooperative, designed to maximise economic benefits for the local community. Throughout the lifecycle of the Proposed Development, the Applicant would maintain ongoing engagement and collaboration with Shetland's business community, fostering strong relationships and continuous support.

### 5.2.3 Targeted Procurement

#### Local Needs

To ensure the sustainability of ultra-local businesses, it is crucial that the Proposed Development adopts a procurement strategy that maximises opportunities for Shetland-based suppliers. Past experiences have shown that, without a targeted approach, procurement can easily favour off-islands contractors, limiting the potential for local economic benefit. This is particularly relevant where Original Equipment Manufacturers (OEMs) and large national suppliers are involved, as their standard models often do not prioritise local content or workforce integration.

#### Commitments

The procurement strategy would be shaped by insights gained from supplier workshops and the developer's ongoing commitments to the local supply chain. A key pledge is to give precedence to local capability whenever possible, actively negotiating with OEMs to secure local contracts and put suitable training in place for Shetland-based suppliers. Furthermore, the strategy would integrate wider considerations such as gender equality, as outlined in the related 'Skills and Workforce' section.

#### Activities

- Engage with suppliers through workshops and events to gather input and foster collaboration.
- Leverage recent experience from capital projects to inform negotiations with OEMs for local content.
- Initiate early discussions with OEMs to showcase Shetland's capabilities and arrange appropriate training for local suppliers.
- Target procurement activities to maximise expenditure within Shetland, prioritising suppliers willing to support local involvement.
- Exclude OEMs from consideration if they are unwilling to negotiate on increasing local content or providing local opportunities.

#### Outcomes

Through this targeted procurement approach, the Proposed Development would seek to increase the proportion of local content involved in both the supply and ongoing maintenance of equipment. Local businesses would not only benefit from greater access to development related opportunities but would also see their skills and capacity enhanced through training and participation. Ultimately, this strategy would help keep investment and expertise within Shetland, boosting the resilience and sustainability of the local supply chain.

### 5.2.4 Increase Applicant Supply Chain Capacity

#### Local Needs

The Applicant (Neshion Ltd.) is a joint venture made up of local family companies set up to develop the Proposed Development, which is being led by Shetland Aerogenerators Ltd. - a shareholder in the joint venture. Shetland Aerogenerators is an integral part of the local supply chain, delivering operations and maintenance support for onshore wind projects and offering additional services such as LiDAR rental. As the region's installed generation capacity increases, there is a growing need to strengthen local capabilities and ensure that sufficient skilled staff are available to support renewable energy developments. Enhancing local provision of operations and maintenance for both onshore and offshore wind is essential for maintaining Shetland's appeal as a destination for future renewables projects.

### Commitments

The Proposed Development is committed to driving growth within the Shetland supply chain by expanding the Applicant's (i.e. Shetland Aerogenerators') operations and maintenance staffing by 100-150 %, corresponding with the increase in generation capacity. This expansion supports the company's ongoing strategy to achieve 'Fit 4 Offshore' accreditation<sup>29</sup> and develop a broader skill set among its workforce, enabling the delivery of comprehensive services to customers throughout the Isles.

### Activities

- Increase staffing levels within Shetland Aerogenerators to match the rise in installed renewable generation capacity.
- Strengthen operations and maintenance services, including the expansion of existing offerings such as LiDAR rental.
- Support staff training and professional development to help achieve 'Fit 4 Offshore' accreditation.
- Promote the development of local expertise for both onshore and offshore wind projects.

### Outcomes

If granted consent, the Proposed Development would directly benefit the Shetland supply chain by enhancing the Applicant's (i.e. Shetland Aerogenerators') operational capacity and expertise. This would result in more staff able to deliver a wider range of services to local customers, bolstering the company's growth plans and contributing to the overall resilience and sustainability of the local economy. Furthermore, these improvements in local capability would reinforce Shetland's attractiveness for future renewables investments, supporting continued economic development in the region.

## **5.3 Skills & Workforce**

Shetland's population of around 23,000 supports a highly productive workforce of nearly 14,000 (excluding self-employed, trainees, and HM forces). Still, the region faces recruitment and retention challenges, particularly as its workforce ages and more roles become harder to fill. Skills Development Scotland projects a 6.1 % drop in total population and 9.6 % decline in working-age residents between 2018–2043, with an estimated need to replace 3,600 workers from 2019–2029<sup>30</sup>.

Brexit complicates growth by reducing the migrant workforce. Already, 20 % of local businesses report recruitment struggles. In 2022, Shetland had 1.08 jobs per person, higher than Scotland's 0.81, indicating strong demand for labour. Of 1,650 private sector businesses, 95 % are small (1–49 staff)<sup>30</sup>. Expanding skills and workforce capacity is therefore essential for Shetland's energy transition goals, including housing retrofits, network upgrades, e-fuels production, and environmental management.

### **5.3.1 Grow Local Workforce**

#### Local Needs

The projected decline in population over the coming decades in Shetland poses challenges for local economic growth and workforce sustainability. To counteract these issues, there is a clear

<sup>29</sup> The F4OR Programme is a 12-18 month duration, intermediate intensity activity which is specifically designed to support the UK supply chain get ready to bid for work in the offshore renewable energy sector.

<sup>30</sup> Skills Development Scotland (2022) Economy, People and Skills September 2022. Available at: <https://www.skillsdevelopmentscotland.co.uk/media/uzvndze/economy-people-and-skills-september-2022-revised-october-2022.pdf>



need to create opportunities that will encourage people to live and work in Shetland, especially in sectors with high growth potential such as renewable energy.

### Commitments

The Proposed Development aims to address these local needs by actively attracting new workers to Shetland. The Applicant is committed to ensuring that job opportunities linked to the Proposed Development are advertised broadly, with a focus on drawing talent from outside the region. Collaboration with established initiatives, such as Promote Shetland, would be central to these efforts.

### Activities

- Advertise roles associated with the development widely to reach potential candidates both locally and beyond.
- Engage with the Promote Shetland campaign<sup>31</sup> to develop targeted recruitment strategies aimed at professionals in the renewable energy sector.
- Coordinate with local stakeholders to address challenges including accommodation availability for incoming workers.
- Implement a focused approach like previous campaigns for key professions, ensuring the renewable energy sector receives attention.

### Outcomes

If consent for the Proposed Development is granted, it would directly support efforts to grow Shetland's working population by attracting new talent. By positioning Shetland as a desirable location for career development in renewables, the Proposed Development would strengthen the local workforce and help ensure long-term economic vitality for the region.

## 5.3.2 Just Transition from Traditional Roles

### Local Needs

While the renewable energy sector outperforms some comparable industries in terms of gender equality, significant progress remains to be made. Globally, women account for only 32 % of full-time positions in renewables, a figure unchanged over the past five years. For context, the oil and gas sector stands at 23 %, and the overall economy at 43.4%<sup>32</sup>. Europe and North America fall short of other regions, with just 27 % of roles filled by women. Women are also more likely to hold support roles than technical or senior decision-making positions, with only 19 % of senior management comprised of female employees<sup>32</sup>. In Shetland, these challenges are reflected locally, pointing to the need for improved gender equality in the sector.

Pay disparities also highlight this issue. The mean gross annual income for women in Shetland is £32,836, compared to £40,865 for men<sup>33</sup>, emphasising the importance of creating more well-paid opportunities for women in growth sectors such as renewable energy.

### Commitments

The Applicant is committed to upholding and enhancing gender equality, inclusion, and diversity in employment related to the Proposed Development. The approach would focus on narrowing the

<sup>31</sup> Shetland Islands of Opportunity (2026). Shetland.org | Welcome to the Islands of Opportunity. [online] Shetland.org. Available at: <https://www.shetland.org/>. [Accessed 08/06/2026]

<sup>32</sup> International Renewable Energy Agency (2025) Renewable energy: A Gender perspective; Second edition. Available at: [https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2025/Oct/IRENA\\_SOC\\_Renewable\\_energy\\_gender\\_perspective\\_2Ed\\_2025.pdf](https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2025/Oct/IRENA_SOC_Renewable_energy_gender_perspective_2Ed_2025.pdf) [Accessed 08/06/2026]

<sup>33</sup> Scottish Government (2025) Annual Survey of Hours and Earnings 2025. Available at: <https://www.gov.scot/publications/annual-survey-of-hours-and-earnings-2025/pages/employee-earnings/> [Accessed 08/06/2026]

gender pay gap and increasing opportunities for women, particularly in technical and leadership roles within the renewable energy sector.

#### Activities

- Require suppliers to demonstrate active diversity policies and inclusive workplace practices through the procurement strategy.
- Conduct workplace audits upon supplier appointment to monitor gender equality and inclusion.
- Write job and role descriptions that encourage equal opportunities, with emphasis on enabling factors such as flexible working.
- Promote upskilling and reskilling initiatives aimed at sectors traditionally segregated by gender.
- Implement a Returners Programme, offering short-term paid placements (3–6 months) for individuals returning from career breaks, with training and mentoring support.

#### Outcomes

If approved and constructed, the Proposed Development would actively contribute to promoting gender equality, inclusion, and diversity in Shetland’s renewable energy sector. These efforts would help narrow pay gaps, increase female representation in technical and leadership roles, and foster a more equitable local workforce for the future.

### 5.3.3 Retention of Young People in Shetland

#### Local Needs

Shetland faces ongoing challenges in retaining its young workforce and increasing the working age population. There is a notable decline in the number of young people, with only 14% of the population being aged 16–29, down from previous years and below targeted levels<sup>22</sup>. Addressing jobs and skill shortages requires early intervention, encouraging pupils to pursue STEM subjects and careers in renewables and clean energy. Existing science outreach initiatives often do not reach the most remote schools due to funding limitations.

There is a gap in STEM engagement for lower secondary pupils, as well as limited opportunities for apprenticeships and graduate placements within local industries. Support for higher education is also constrained, as local educational trusts face financial shortfalls. Meeting these needs is crucial to build capacity and capability in Shetland’s workforce and to ensure future economic sustainability.

#### Commitments

The Applicant is committed to developing clear pathways for young people to enter STEM and renewables careers. This includes maintaining and expanding school outreach, science fairs, careers guidance, graduate placements, and apprenticeships. There is a shared commitment to broaden educational access, support existing local initiatives, and create new opportunities aligned with Shetland’s workforce targets.

Additional funding and organisational support would be provided if the Proposed Development is consented and constructed, with the aim to expand participation, improve reach, and fill identified gaps across primary, secondary, and post-secondary education and training.

#### Activities

- Host primary school visits to Burradale Windfarm, tailored to curriculum targets and classroom expectations, with potential expansion coordinated via a Community Liaison role.

- Explore provision of additional school visits and educational grants to support national science education programmes for primary pupils, with a focus on reaching remote schools.
- Support and expand the annual Shetland Science Fair for S1–S3 pupils, providing funding for travel, accommodation, national exhibitors, and project management hours; broaden reach and ensure continuity beyond 2027 by securing additional funds.
- Attend and participate in bi-annual careers fairs for S4–S6 pupils and the public, showcasing renewable energy job opportunities and pathways, and signposting pupils and parents towards future jobs in Shetland.
- Continue and expand graduate placement schemes in partnership with HIE, supporting graduates in technical and managerial roles within SAL and related companies.
- Contribute funding to the Delting Educational Trust to increase the number of pupils supported and promote awareness of the fund throughout the local area.
- Establish apprenticeship schemes for turbine technicians in collaboration with local education providers, enabling hands-on training and specialisation in mechanical and electrical engineering.

#### Outcomes

Through these initiatives, Shetland would benefit from increased retention of young people, greater participation in STEM and renewables careers, and a strengthened local workforce. The combined activities would help bridge gaps in skills and employment, ensuring young people are better equipped for future opportunities.

With expanded funding and organisational support, more pupils and graduates would have access to educational programmes, placements, and apprenticeships. This would promote a sustainable pipeline of talent for Shetland’s renewable energy sector and contribute to the long-term economic vitality of the islands.

## **5.4 Community Engagement and Empowerment**

Effective community engagement lies at the heart of successful local development, serving as a purposeful process that builds positive working relationships between residents, community organisations, and both public and private bodies. By fostering collaboration, mutual understanding, and trust, community engagement ensures that local voices and experiences are genuinely considered in planning and decision-making. The Scottish Government recognises the significance of early, meaningful, and proportionate engagement, highlighting its role in strengthening relationships and empowering communities to act on their own needs and ambitions. Central to this approach is the principle of empowerment—enabling individuals and groups to take control of their lives and make independent choices.

Through legislation such as the Community Empowerment (Scotland) Act 2015<sup>34</sup>, the government has prioritised placing communities at the forefront of decisions about public services, a principle equally relevant for private organisations seeking to engage and empower local people. This section explores how these standards and principles have underpinned the approach to community engagement and empowerment, setting the context for the initiatives described below. See the Community Engagement Report also (refer to the standalone Pre-Application Consultation (PAC) Report).

<sup>34</sup> Scottish Government (2015) Community Empowerment (Scotland) Act 2015. Available at: <https://www.legislation.gov.uk/asp/2015/6/contents> [Accessed 08/06/2026]

#### 5.4.1 Understand and Address Local Needs

##### Local Needs

The communities closest to the Proposed Development—Brough, Firth, Graven, Mossbank, and Toft—face significant challenges. These areas were economically sustained by SVT historically, yet many residents feel excluded from wider benefits across Shetland. Fuel poverty is widespread on Shetland, with energy bills disproportionately high compared to other regions, compounded by poor housing stock and harsh weather conditions. The Shetland Partnership has highlighted issues such as nearly half of households not earning enough to live well, a high cost of living, and below-average annual incomes, which particularly affect rural communities<sup>35</sup>. Despite these difficulties, communities remain tightly connected, showing resilience but also fragility. Addressing these needs is essential for the Proposed Development's success.

The term 'local' can be used in various contexts for the Proposed Development.

- Hyper Local – the communities that are closest to the Proposed Development which includes Brough, Firth, Graven, Mossbank, and Toft;
- Ultra Local – the wider Shetland community; and
- Local – the Highlands and Islands of Scotland.

##### Commitments

The Applicant is committed to understanding and responding to the needs of the hyper and ultra local communities. The Applicant engages regularly with residents through events, surveys, and direct interactions. A dedicated Community Liaison Officer (or role) would be retained throughout the Proposed Development's lifetime to maintain strong relationships and facilitate ongoing communication. Additional commitments include introducing a LEDS to provide financial relief for eligible households. This was the preferred option for a community benefit package from local feedback in-person and online surveys. Linked to this, the Applicant is also exploring participatory budgeting to empower residents in local decision-making. These initiatives are designed to ensure meaningful benefits for those most impacted by the Proposed Development.

##### Activities

- Conduct engagement events and surveys to gather feedback and understand local priorities.
- Maintain a Community Liaison Officer role to foster ongoing relationships and ensure transparent communication.
- Develop and implement a LEDS offering annual discounts on energy bills for eligible households and businesses in the hyper local area.
- Facilitate the introduction of participatory budgeting, allowing the community to decide how additional funds are spent, if there is local interest.
- Ensure communication and engagement activities are accessible both in-person and digitally to reach all affected parties.

##### Outcomes

These commitments and activities are expected to deliver tangible improvements for residents local to the Proposed Development. The introduction of LEDS would provide direct financial support, helping to alleviate fuel poverty. Ongoing engagement and participatory budgeting would empower the community, ensuring local voices are heard and influencing how resources are allocated. Together, these initiatives would support increased resilience, a greater sense of inclusion, and a strengthened relationship between the community and The Applicant. The

<sup>35</sup> Shetland Partnership (2016). Households in Shetland who do not earn enough to have an acceptable standard of living – Shetland Partnership. [online] Shetland Partnership. Available at: <https://www.shetlandpartnership.org/indicators/households-shetland-not-earn-enough-acceptable-standard-living>. [Accessed 08/06/2026]

Proposed Development aims to serve as a model for future developments, demonstrating how targeted interventions can address local challenges and foster sustainable growth.

#### 5.4.2 Ongoing Engagement

##### Local Need

The ultra local community requires ongoing engagement and empowerment throughout the lifetime of the Proposed Development, which is expected to operate for 40 years post-construction. Simply informing or consulting the community at the application or construction stages is insufficient. Residents and businesses need accessible information and support to make informed decisions about energy use, improve their energy efficiency, and adapt to evolving circumstances. There is also a demand for practical interventions that address barriers to energy literacy and facilitate domestic behaviour change, helping individuals to reduce reliance on fossil fuels, lower energy bills, and build resilience.

##### Commitment

The Applicant is dedicated to maintaining meaningful engagement with the local community for the entire operational life of the Proposed Development. The Applicant would retain a Community Liaison Officer or project manager to ensure communication remains responsive and relevant to evolving local needs. The Applicant also commits to supporting energy literacy initiatives and facilitating opportunities for domestic and business energy efficiency. Annual visitor days would be considered as a means of fostering direct interaction and transparency, while informational campaigns and funding for retrofit roadmaps would be designed to help residents and businesses access resources and make sustainable choices.

##### Activities

- Ensure the presence of a dedicated Community Liaison Officer or project manager throughout all development stages to address community concerns and feedback.
- Establish annual visitor days to provide in-person engagement opportunities, share development updates, and maintain openness during the operational phase.
- Develop and promote energy literacy programmes, including carbon literacy short courses for community groups and local businesses.
- Launch informational campaigns using info packs, media, and community events focusing on low-carbon heating, energy efficiency, and behaviour change.
- Promote resource hubs such as Home Energy Scotland, HIE Climate Springboard, and Business Gateway Net Zero Support to increase awareness and accessibility.
- Fund domestic retrofit roadmaps for hyper local households, enabling property owners to access tailored guidance and finance options for decarbonisation.
- Collaborate with local stakeholders and industry professionals to design and implement pathways for improving energy literacy and efficiency across the community.

##### Outcomes

The implementation of a long-term retrofit roadmap and ongoing community engagement could support significant positive outcomes for the ultra local community. Residents and businesses could expect reduced energy bills, improved health and well-being from warmer homes, and enhanced sustainability through increased energy literacy and efficiency. The Proposed Development could foster greater resilience within households, businesses, and the wider community by enabling practical behaviour change and reducing reliance on fossil fuels. Overall, these measures would contribute to a lower carbon footprint and ensure lasting benefits for both individuals and local enterprises.

### 5.4.3 Financial Empowerment

#### Community Ownership

In addition to discussions on LEDS, the Applicant has been actively engaging with the community with regards to community ownership. Initially, the concept was introduced and discussed with community members, and feedback was gathered to understand local priorities. As engagement continued, the Applicant refined its offer, ultimately proposing that at least 5 % of the Proposed Development be made available for community ownership alongside an ambition to gift a share of the development to improve the viability of a community stake. The Applicant has also expressed a willingness to collaborate with suitable community bodies to facilitate participation. The second phase of engagement, accompanied by clearer information in materials and online, resulted in more productive conversations; however, feedback indicated that community ownership remained a low priority for respondents, with some noting challenges such as the absence of an established community development body.

The Applicant continues to engage with the local communities and would offer the possibility of a community stake in the Proposed Development up to the point of final investment decision.

#### Shared Ownership (via Local Authority)

Investment in capital projects by local authorities can be a useful means of securing returns to support public service delivery. Community engagement asked for views on SIC being offered a stake in the Proposed Development. Feedback from respondents was largely negative on this prospect. Despite this, the Applicant remains open to the possibility of local authority involvement in the Proposed Development, as SIC becoming a shareholder would ensure that benefits could be shared more widely through support for public services. The Applicant would also explore the possibility of other local public bodies, such as Hjaltland Housing Association, taking an ownership stake in the Proposed Development. This could provide a source of future funding for local housing provision to help address Shetland's priorities in this area.

## 5.5 Environmental Protection and Enhancement

By 2026, Shetland is projected to generate up to eight times its peak electricity demand, with a carbon intensity as low as 15g/kWh<sup>36</sup>—making it one of the cleanest power supplies in the UK. However, despite this abundance of renewable energy, Shetland continues to experience high per-capita emissions. This is largely due to its reliance on liquid hydrocarbons in sectors such as fishing and aquaculture, as well as ongoing peatland disturbance and limited tree cover. Currently, Shetland has one of the highest per-capita emissions in the UK, emitting 14.1 tCO<sub>2</sub>e per person compared to the Scottish average of 4.6 tCO<sub>2</sub>e, according to findings from the Shetland Partnership<sup>37</sup> and SIC Net Zero Routemaps<sup>38</sup>.

The Proposed Development has the potential to address these major environmental challenges. It can help reduce high curtailment rates caused by limited transmission infrastructure in the North of Scotland, while supporting solutions to Shetland's elevated emissions and sustainability issues.

<sup>36</sup> Renewable Energy Institute (2024) 'Shetland Wind Farm Generates Enough to Power 500,000 Homes' – Blog Post. Available at: <https://www.renewableinstitute.org/new-shetland-wind-farm-generates-enough-to-power-500000-homes/> [Accessed 08/06/2026]

<sup>37</sup> Shetland Partnership (2024) 'Carbon Emissions Indicator' – Data Dashboard. Available at: <https://www.shetlandpartnership.org/indicators/carbon-emissions> [Accessed 08/06/2026]

<sup>38</sup> Shetland Islands Council (2023) 'Climate Change Strategy and Net Zero Route Map Context'. Available at: <https://www.shetland.gov.uk/ambition-2023/climate-change-2023> [Accessed 08/06/2026]

### 5.5.1 Habitat Management

#### Local Need

Shetland's peatlands are responsible for approximately 384 ktCO<sub>2</sub>e, accounting for 37 % of the region's total emissions<sup>39</sup>. This significant contribution to Shetland's carbon footprint makes peatland restoration a critical priority, particularly given the area's per capita emissions are among the highest in the UK. The urgency is compounded by the relatively slow pace of restoration work: while the Shetland Amenity Trust has set an ambitious target of restoring 22,000 hectares of peatland by 2030, only 400 hectares are currently on the path to recovery<sup>40</sup>. It should be noted also that SAT have calculated that to date peatland restoration projects have brought in over £1.4 million to Shetland. Given local contractors are used, most of that money was retained in Shetland.

Achieving this scale of restoration demands increased capacity and resources, including more trained machine operators and support services. Challenges persist in terms of funding, land use conflicts—especially where crofting and sheep grazing are prevalent—and skills shortages, all of which threaten the progress and sustainability of restoration efforts.

#### Commitment

The Applicant recognises these local needs and is committed to advancing peatland restoration as part of its broader environmental strategy. As identified in the EIAR approximately 247.9 ha of peatland restoration is proposed within the Site boundary, not only mitigating the impact of construction on disturbed peat but also actively enhancing peatland areas beyond those disturbed as part of the Proposed Development. This commitment would ensure adequate investment and creation of new jobs to build peatland restoration capacity in Shetland. The Applicant is actively seeking opportunities to provide private financing for restoration, thereby freeing up public funds for use elsewhere in Shetland, and to guarantee that the land required is secured and managed as part of the Proposed Development's land lease agreements. These assurances give restoration organisations the confidence to train and employ staff with the knowledge that long-term, contracted work is secured.

#### Activities

- Collaborating with Peatland Restoration Services to deliver restoration work in partnership with public bodies.
- Allocating land for restoration as part of development land leases, securing agreement with landowners.
- Budgeting restoration costs within development finances to provide private funding for restoration efforts.
- Establishing a programme of works with a clear timeline and secured funding to enable training and hiring of restoration staff.
- Adopting biodiversity enhancement measures as recommended in NatureScot guidance, including planting for nature, providing homes for wildlife, and managing water for wildlife.
- Exploring opportunities to calculate and monetise carbon savings from restoration activities.
- Considering investment in natural capital and potential establishment of a Shetland Wildlife Investment Fund, as suggested by The Royal Society for the Protection of Birds (RSPB).

<sup>39</sup> Shetland News (2022) 'New Funding to Accelerate Peatland Restoration Programme' – News Article. Available at: <https://www.shetnews.co.uk/2022/02/10/new-funding-to-accelerate-peatland-restoration-programme/> [Accessed 08/06/2026]

<sup>40</sup> Highlands and Islands Enterprise (2024) 'Shetland Amenity Trust Case Study' – Case Study. Available at: <https://www.hie.co.uk/knowledge-library/case-studies/shetlandamenitytrust/> [Accessed 08/06/2026]

- Development linked environmental fund which could provide monetary support for projects like additional biodiversity enhancement measures (such as wader pools and riparian planting) to augment Peatland ACTION restoration sites.

### Outcomes

Through these activities, the Applicant aims to deliver substantial environmental benefits for Shetland. Restoration of peatlands would significantly reduce local emissions, helping to lower the area's per capita carbon footprint and contribute to Scotland's climate targets. The creation of new jobs and training opportunities supports the local economy and enhances restoration capacity, ensuring long-term sustainability. Private financing of restoration means more public funds are available for other priority locations, and the allocation of land for restoration is secured for future management. Biodiversity enhancement measures would add value to natural capital and improve local habitats. Overall, these efforts demonstrate a robust commitment to environmental protection, community benefit, and sustainable development in Shetland.

### 5.5.2 Support Decarbonisation Initiatives

#### Local Need

The Islands Centre for Net Zero (ICNZ) estimates that Oil and Gas infrastructure in Shetland accounts for around 290 ktCO<sub>2</sub>e which equates to around 28 % of Shetland's total emissions<sup>41</sup>. Supporting the decarbonisation of the energy used to run these facilities, as well as transitioning their production to e-fuels (like hydrogen derivatives) would create a substantial reduction to this emissions figure.

Additionally, many households remain reliant on fossil-fuelled heating, including kerosene boilers and traditional peat burning, which further adds to local emissions. There are lasting impacts of peat cutting on emissions due to the degradation and exposure of peat to emit as opposed to store carbon and additional emissions from the burning of peat.

#### Commitment

The Applicant, in partnership with Veri Energy, is committed to supplying electricity generated by the Proposed Development to provide the initial feedstock for efuel production at the SVT. This collaboration is intended to eliminate wind power curtailment, reduce costs to consumers and taxpayers, and provide greater certainty for development financing. It also supports Scotland's wider hydrogen and efuels ambitions, positioning SVT as a demonstrator site for the conversion of wind power into low carbon liquid fuels. Beyond the direct benefits of reducing constrained generation, the partnership enables a more integrated energy system by linking renewable electricity supply with downstream industrial decarbonisation at SVT.

Alongside decarbonising electricity generation, the Applicant is committed to supporting a broader shift in domestic energy use—particularly heating—towards electricity. This would further reduce emissions through targeted commitments to energy literacy and the deployment of local energy initiatives, including LEDS, as set out in Section 5.1.

#### Activities

- Supply electricity from Proposed Development turbines for Veri Energy's e-fuel production at SVT.
- Explore a private wire connection for development enablement.

<sup>41</sup> Islands Centre for Net Zero (ICNZ) (2024) 'Emissions Data: Shetland Profile'. Available at: <https://www.icnz.org/what-we-offer/emissions-data> [Accessed 08/06/2026]



- Incentivise domestic heating change from fossil fuels and peat to electric heating through LEDS and energy literacy initiatives.

#### Outcomes

Supporting decarbonisation and the shift to e-fuels at SVT would substantially reduce Shetland's emissions. At gigawatt scale, Veri Energy have stated verbally that it could represent an annual reduction of nearly 0.95 million tonnes—equivalent to removing 200,000 cars from the roads. In addition, the just transition at SVT reduces job losses among skilled engineers as oil and gas is phased out. Domestic heating changes further decrease emissions, aligning with local strategies. Overall, these efforts ensure economic, environmental, and social benefits tailored around Shetland's unique capacity and context.

### 5.5.3 Creation of Green Infrastructure

#### Local Need

The area near the Proposed Development is devoid of access tracks for recreational use. Many onshore windfarms in Scotland are now offering their tracks between turbines as for mountain biking, running trails, and horse paths. At public engagements for the Proposed Development, several hyper local residents expressed their interest in the provision of walking paths.

#### Commitment

The Applicant would incorporate active outdoor recreation onto the Site where appropriate, with agreement from the landowner (local crofter) and the local community.

#### Outcome

The provision of such access for recreation enables the reuse of the infrastructure created for the construction and maintenance of the Proposed Development. Added benefits of establishing useable green infrastructure includes:

- Health & Wellbeing;
- Appreciation of nature and green spaces; and
- Appreciation of cultural heritage

## 5.6 Principles Audit

The principles audit showcases the Proposed Development's approach to delivering meaningful and lasting local value. It outlines how the Proposed Development aligns with key guiding principles set out in the Scottish Renewables Guidance, ensuring that commitments are not only ambitious but also grounded in the realities of the local context. Together, these principles provide a structured framework for decision-making, stakeholder engagement, and ongoing delivery, helping to ensure that outcomes remain relevant, inclusive, and achievable over the Proposed Development's lifecycle. The paragraphs below set out how the principles are delivered across the range of activities described in sections 5.2 to 5.5. **Table 1** summarises how each of the principles are delivered within each of the four themes.

#### Place Based

The Proposed Development's approach stems from a deep understanding of the unique context, needs, and aspirations of the local community. Consultation has revealed local priorities not only for tangible local benefits but also for the promoting of economic resilience and environmental outcomes. Commitments have reflected this diversity: activities include restoring native habitats, developing LEDS, and engaging with community-led economic development projects. Rather than

applying generic solutions, the Proposed Development tailors benefits—such as habitat improvement and supply chain engagement—to resonate with local priorities, ensuring interventions are relevant and impactful.

#### Innovative

Innovation is central to the Proposed Development's ethos, demonstrated by the proposal to create LEDS. This innovative approach involves piloting LEDS as a means of delivering tailored energy solutions and community benefits. The Proposed Development is pioneering the design and implementation of LEDS in partnership with local stakeholders, seeking to develop new frameworks for shared ownership, local reinvestment, and enhanced energy resilience. By adapting the LEDS model to the unique priorities and resources of the community—and drawing on insights from previous LEDS initiatives elsewhere—the commitment to creativity and ongoing improvement remains a cornerstone of the Proposed Development.

#### Collaborative

The Proposed Development's delivery depends on strong partnerships that bring together local residents, the public sector, private organisations, and voluntary groups. Collaboration is vital for successfully restoring natural habitats, running community events, and coordinating economic development programmes. The Proposed Development works closely with local groups and business leaders to ensure that activities are well-supported and reflect broad perspectives. This collective effort enhances the range and effectiveness of benefits realised for the community.

#### Transparent

Transparency guides all stages of the Proposed Development, from planning to implementation and reporting. Stakeholder engagement is open and inclusive, with clear rationales for each commitment, with regular updates on progress to be made. The ongoing commitment to transparency is also evident via the commitment to resourcing a Community Liaison Officer role for the duration of operation.

#### Flexible

The approach to maximising local value recognises the importance of adaptability as conditions and community needs evolve. Plans for habitat restoration, and local investment can be regularly reviewed and adjusted in response to feedback and changing circumstances. For example, if a new community priority emerges or external factors affect delivery, the Proposed Development can reallocate resources and revise commitments to sustain positive outcomes. The commitment to supporting participatory budgeting is a practical example of this flexible approach. By involving residents directly in decision-making about how development funds are allocated, the Proposed Development seeks to ensure that resources can be reallocated in line with newly identified priorities or unforeseen external factors.

#### Deliverable

Setting realistic expectations and ensuring feasibility are essential for building trust with stakeholders. The Applicant is committing to goals that are considered achievable. By clearly communicating what can be delivered, and regularly updating stakeholders on progress and limitations, the Applicant seeks to create a foundation for long-term positive relationships and future collaborative ventures.

**Table 1: Principles Audit**

| <b>Commitment</b>                                 | <b>Place-based</b>                                                                                                      | <b>Innovative</b>                                                                                     | <b>Collaborative</b>                                                                          | <b>Transparent</b>                                                            | <b>Flexible</b>                                                                                                 | <b>Deliverable</b>                                                                                     |
|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| <b>Supply Chain</b>                               | Yes – all commitments are specifically designed around the Applicant’s knowledge of Shetland and the local supply chain | Yes – novel approach to targeted procurement recognises unique characteristics of local economy       | Yes – collaboration with suppliers and enterprise agencies key to delivery                    | Yes – commitment to create and maintain relationships with local supply-chain | Yes – all commitments are designed to flex around the needs of the Proposed Development and potential suppliers | Yes – local knowledge and track record of the Applicant are reflected in the design of all commitments |
| <b>Skills and Workforce</b>                       | Yes – activities are specifically designed to address unique challenges in island community                             | Yes – creative developer-led approaches to engaging with STEM and career promotion                    | Yes – all commitments build on existing relationships with schools and other skills providers | Yes – focus on Just Transition and widening opportunity                       | Yes – breadth of activities reflects understanding of local needs                                               | Yes – building on established programmes and known local requirements                                  |
| <b>Community Engagement &amp; Empowerment</b>     | Yes – community engagement to date defined by understanding of Shetland and local community near Proposed Development   | Yes – LEDS has never been implemented in Shetland before                                              | Yes – ideas shaped by community engagement and commitment to ongoing liaison                  | Yes – open dialogue at the heart of proposed commitments                      | Yes – various options for community participation and shared ownership                                          | Yes – emphasis on all parties moving forward together                                                  |
| <b>Environmental Protection &amp; Enhancement</b> | Yes – commitments specifically relate to local developments and programmes                                              | Yes – larger scale e-fuel production would be a first for Scotland/UK and a world-leading development | Yes – links with other developers and local environmental programmes                          | Yes – clear strategic links to local and national policy priorities           | Yes – commitments designed to adapt around partners’ and community needs                                        | Yes – fit with existing programmes and local priorities                                                |

## 6. Assessment of Socio-Economic Impacts

### 6.1 Overview

NPF4 Policy 11(c) requires renewable energy developments to demonstrate how net economic impacts are maximised, including employment, supply-chain participation, and wider community wealth-building outcomes. The quantified impacts of the Proposed Development, set out below, show how the development meets this requirement across both the construction and operational phases.

#### Construction Phase: Maximising Short-Term Employment and Local Supply-Chain GVA

**Table 2 Construction Phase Impacts in relation NPF4 Policy 11(c) outcomes**

| NPF4 Policy 11(c) outcome                   | Quantified impact (Shetland Islands) | Evidence from assessment |
|---------------------------------------------|--------------------------------------|--------------------------|
| <b>Employment creation</b>                  | 396 job-years (direct + indirect)    | Table 6                  |
| <b>Net direct employment</b>                | 133 job-years (after displacement)   | Table 6                  |
| <b>Local supply-chain participation</b>     | ~£36m of CAPEX captured locally      | Table 5                  |
| <b>Net economic value (GVA)</b>             | £81m total GVA (£27m direct)         | Table 6                  |
| <b>Scale of local economic contribution</b> | 9.5% of annual Shetland GVA          | Table 6                  |

The construction phase delivers a material, place based economic stimulus, converting capital investment into local jobs and GVA through targeted procurement, balance of plant localisation, and use of Shetland-based professional services. This directly addresses Policy 11(c)'s requirement to maximise local employment and associated business participation, rather than treating these outcomes as incidental.

#### Operational Phase (40-Year Lifetime): Maximising Long-Term Skilled Employment and Community Wealth

**Table 3 Operational Phase Impacts in relation NPF4 Policy 11(c) outcomes**

| NPF4 Policy 11(c) outcome                | Quantified impact (Shetland Islands)            | Evidence from assessment |
|------------------------------------------|-------------------------------------------------|--------------------------|
| <b>Annual operational spend (OPEX)</b>   | £2.88m per year                                 | Table 5                  |
| <b>Local retention of spend</b>          | ~£2.55m per year (~90%)                         | Table 5                  |
| <b>Direct operational employment</b>     | 5–12 permanent Full time equivalent (FTE) roles | Section 6.2.2.1          |
| <b>Indirect employment supported</b>     | ~34 additional jobs                             | Section 6.2.2.1          |
| <b>Annual GVA contribution</b>           | ~£0.9–2.45m per year                            | Section 6.2.2.1          |
| <b>Lifetime local GVA (undiscounted)</b> | ~£310m (£35m direct; £275m indirect)            | Section 6.2.2.1          |

The operational phase represents the dominant net economic benefit, delivering long-term, skilled employment and recurring local GVA. High retention of operational expenditure, combined with strong sectoral multipliers, ensures that value is re-circulated within the local economy, supporting Policy 11(c)'s emphasis on sustained community wealth-building, not just short-term construction impacts.

### Overall Net Economic Contribution (Policy 11(c) Test)

**Table 4 Net Economic Impact relative to NPF4 Policy 11(c) outcomes**

| Policy test under NPF4 11(c)                      | Outcomes                                                     |
|---------------------------------------------------|--------------------------------------------------------------|
| <b>Demonstrates net economic benefit</b>          | Yes – £81m construction GVA + ~£310m operational GVA         |
| <b>Maximises local employment</b>                 | Yes – construction job-years plus permanent skilled roles    |
| <b>Maximises local supply-chain participation</b> | Yes – ~25% of CAPEX and ~90% of OPEX retained locally        |
| <b>Supports long-term community wealth</b>        | Yes – predictable OPEX, high multipliers, 40-year lifespan   |
| <b>Evidence led and monitorable</b>               | Yes – quantified, phased, and linked to delivery commitments |

## 6.2 Supply Chain, Skills and Workforce Impacts

The Proposed Development converts construction and operating spend into jobs and value via three routes:

- **Direct effects:** Employment and GVA created on site and in first tier contracts.
- **Indirect effects:** Additional activity in the supply chain as firms buy goods and services to fulfil development contracts.
- **Induced effects:** Further rounds of spending when workers re-spend their wages on local goods such as food, housing and leisure.

By combining development-specific inputs with both construction sector and specific renewable sector economic multipliers, the scale of each route is measured for Shetland and the UK. The value of where proactive localisation can maximise benefits across development, operational, and decommissioning phases is also provided. These impacts are presented by phase; development and operation. The associated supply chain implications are considered and the potential impact of the commitments outlined in Chapter 5 are highlighted.

### 6.2.1 Development Phase

The Proposed Development would install 8 Vestas V172 turbines (~57MW) - or an equivalent model in line with the Planning envelope – and a co-located battery-energy-storage system (BESS). The Applicant's cost estimates put total CAPEX at £118.2 million and annual OPEX at £2.88 million. Construction would run for two years (2028–29), followed by 40 years of operation<sup>42</sup>. **Table 5** below summarises the different cost elements involved in the development phase. Local content estimates have been provided by the Applicant.

<sup>42</sup> Developer correspondence

**Table 5 Cost elements of the Development Phase**

| Cost element                           | Total cost (£ m) | UK content     | Shetland content* | Cost basis   |
|----------------------------------------|------------------|----------------|-------------------|--------------|
| <b>Wind turbines (8 × V172)</b>        | 60.0             | 10%            | 2%                | ~£1 m/MW     |
| <b>BESS</b>                            | 15.0             | 35%            | 10%               | ~£600 k/MW   |
| <b>Balance of Plant (civils, grid)</b> | 34.56            | 90%            | 75%               | ~£600 k/MW   |
| <b>Design &amp; engineering</b>        | 8.64             | 100%           | 90%               | ~£150 k/MW   |
| <b>Total CAPEX</b>                     | <b>£118.20m</b>  | <b>£50.99m</b> | <b>£36.40m</b>    | —            |
| <b>OPEX (annual)</b>                   | 2.88             | 100%           | 100%              | ~£50 k/MW yr |

\*(assumed to be given percentage of UK content); estimated economic impact

#### 6.2.1.1 Estimated Economic Impacts

**Table 6** below outlines the employment impacts of the construction phase, showing that the Proposed Development is expected to generate a total of 396 job-years in Shetland and 477 job-years across the UK. These figures include only direct & indirect employment effects. After accounting for a 25 % displacement rate—reflecting the likelihood that some roles would be filled by workers who would otherwise be employed elsewhere—the net direct employment in Shetland is estimated at 133 job-years, with an additional 262 job-years arising from indirect effects such as supply chain activity and local service provision. This estimate is based on a 2.2 multiplier for the construction sector, as cited by Office for National Statistics (ONS) for 2022<sup>43</sup>. This demonstrates the importance of retaining local labour and procurement, as indirect employment significantly amplifies the overall job impact.

The analysis highlights that proactive localisation—particularly in civil works, logistics, and accommodation—can substantially increase the number of jobs sustained within the islands during the two-year construction period.

Induced effects could be estimated to be worth a broadly similar amount again to the indirect employment effects, potentially 200-300 further job-years. Several potential multipliers are provided in the literature for this effect and other source provide lower indirect employment multipliers. For that reason, induced effects have been excluded from **Table 6** to avoid overestimating the potential impacts.

**Table 6 Estimated Economic Impact of the Construction Phase**

| Average employment generation              | Shetland Islands | UK         |
|--------------------------------------------|------------------|------------|
| <b>Gross direct employment (job-years)</b> | 178              | 286        |
| <b>Displacement (25 %)</b>                 | 44               | 71         |
| <b>Net direct employment</b>               | <b>133</b>       | <b>214</b> |
| <b>Indirect employment</b>                 | 262              | 262        |

<sup>43</sup> Office for National Statistics (2022) Employment multipliers and effects in the UK: 2022 edition of this dataset. Available at: <https://www.ons.gov.uk/economy/nationalaccounts/supplyandusetales/datasets/employmentmultipliersandeffectsintheuk2020> [Accessed 08/06/2026]

| Average employment generation            | Shetland Islands                      | UK        |
|------------------------------------------|---------------------------------------|-----------|
| <b>Total job-years employment</b>        | 396                                   | 477       |
| <b>Net GVA from construction</b>         | <b>Average annual GVA (£ million)</b> |           |
|                                          | <b>Shetland Islands</b>               | <b>UK</b> |
| <b>Direct GVA</b>                        | 27                                    | 44        |
| <b>Total GVA (direct &amp; indirect)</b> | <b>81</b>                             | <b>98</b> |

The construction phase is projected to generate £81 million in total GVA for Shetland (over 2 years), of which £27 million is attributed to direct GVA<sup>44</sup>. According to the most recent figures published by the Office for National Statistics, the Shetland Isle region's total GVA was approximately £855 million in 2023<sup>45</sup>. This means construction phase total GVA represents almost 5% Shetland's annual economic output, a substantial contribution for a single infrastructure development.

In a local economy characterised by demographic challenges and sectoral reliance on aquaculture and public services, this injection of value is particularly significant. It reinforces the strategic importance of the Proposed Development not only as a renewable energy initiative but also as a driver of economic resilience and alignment with the Fair Share principles that aim to retain development value within the community.

To maximise the realisation of local employment and GVA during the construction phase, the following measures would be implemented, drawing directly on the Proposed Development's supply-chain and skills commitments:

- **Early and proactive engagement with the Shetland supply chain:** Supplier workshops and "Meet the Developer" events would be held at the outset of development to share anticipated work packages, timelines, and procurement requirements. This early visibility enables local firms to prepare, scale, and collaborate, increasing the likelihood that construction contracts translate into on-island jobs and local GVA.
- **Use of supply-chain mapping to shape procurement strategy:** The Proposed Development would participate in supply-chain mapping exercises with local partners to understand the capacity and capability of Shetland businesses. Procurement strategies would be shaped around this evidence to maximise the proportion of construction spend captured locally, particularly in balance-of-plant, civils, logistics, and professional services.
- **Local-favouring procurement and tender design:** Tender assessment criteria would be adapted to favour local and ultra-local content where possible. Measures include working with local firms to become approved suppliers, allowing proportionate tender response times, and requiring clear justification where non-local suppliers are selected. Tier-1 contractors would be expected to apply equivalent principles.
- **Structuring work packages to match local SME capacity:** Construction scopes would be structured and, where viable, divided into smaller packages aligned with local SME capacity.

<sup>44</sup> GVA is calculated based on a turnover per employee in renewable construction in Shetland of £310,000. This is paired with a GVA-to-turnover ratio of 0.66 (estimated by the Fraser of Allender Institute) to derive a GVA per employee of £204,600. This estimate reflects localised assumptions based on Shetland's renewable energy project structure, capital intensity, and workforce composition. It is higher than general construction sector averages due to the specialised nature of renewable infrastructure and the relatively low labour intensity of high-value components like wind turbines and battery systems.

<sup>45</sup> ONS (2025) Regional gross value added (balanced) by industry: local authorities by ITL1 region; Table 3 - Shetland Islands – All Industries. Available at:

<https://www.ons.gov.uk/economy/grossdomesticproductgdp/datasets/regionalgrossvalueaddedbalancedbyindustrylocalauthoritiesbyitl1region/tlm-scotland> [Accessed 08/06/2026]

Joint ventures would be encouraged where appropriate to enable Shetland firms to secure direct awards, supporting construction-phase job-years and on-island value creation.

- **Targeted engagement with OEMs to unlock local opportunities:** Early negotiations with OEMs would seek to secure local subcontracts and associated training opportunities for Shetland firms. OEMs unwilling to engage on increasing local participation may be excluded from consideration, strengthening the likelihood that installation and commissioning activities support local employment.
- **Skills pathways aligned to construction demand:** In parallel with procurement measures, the Proposed Development would support apprenticeships, graduate placements, and early-career pathways linked to construction needs, helping ensure that construction roles are filled locally and that associated income is retained within the Shetland economy.

With these interventions in place, the construction phase supply chain would deliver benefits to the islands' construction and engineering sectors, while demonstrating practical compliance with the Shetland Energy Development Principles.

#### 6.2.1.2 Supply Chain Impacts and Localisation Strategy

The figures shown in **Table 5**, sourced from Applicant correspondence, have been benchmarked and appear consistent with other assessments<sup>46</sup>. There are no Tier-1 manufacturers on the islands, so nacelles, blades, batteries and inverters would arrive via Lerwick and/or Sullom Voe. Balance-of-Plant and professional services, by contrast, align well with local strengths in civils, marine logistics and fabrication.

The construction would channel an estimated £118 million of capital expenditure into four broad work-packages: turbine supply, battery supply, balance-of-plant civils and grid works, and design and engineering services. Each package creates a distinct pattern of procurement demand that can be compared with current Shetland capability to identify realistic local-content opportunities and the steps required to capture them.

Based on the confirmed cost breakdown in **Table 5**, the combined equipment budget for wind-turbine generators (£60 million) and the BESS package (£15 million) is £75 million. Because no blade, nacelle, tower or battery-assembly facilities exist on the islands, any of the above expenditure on these specific elements would be placed entirely with external OEMs; the SIC's 2023 supply-chain audit lists "no Tier-1 manufacturing capability on Shetland"<sup>47</sup>. Components would therefore be shipped through Lerwick and /or Sullom Voe, where island firms can contribute through quayside heavy-lift, port handling, haulage and interim storage. Applying the realistic local-content percentages in **Table 5**—2 % of turbine spend and 10 % of BESS spend—yields about £600k<sup>48</sup> of locally capturable work over the two-year build. Upstream manufacturing localisation would require re-establishment of Scottish blade or tower production and would likely be recorded at the Scottish, rather than Shetland, level.

Balance-of-plant works offer the most substantial direct opportunity for Shetland-based firms. The package, costed at £34.56 million (**Table 5**), covers access-road construction, earthworks, concrete foundations, electrical cabling and the on-site substation. Local quarries already supply aggregates for major civil schemes, island contractors operate batches capable of meeting the

<sup>46</sup> Renewables UK (2012) Onshore Wind: Direct & Wider Economic Impacts. May 2012. Available at: <https://assets.publishing.service.gov.uk/media/5a74dfc7ed915d502d6cbaec/5229-onshore-wind-direct--wider-economic-impacts.pdf> [Accessed 08/06/2026]

<sup>47</sup> Developer correspondence.

<sup>48</sup> Based on the assumption that Shetland content is a percentage of UK content.



forecast peak pour rate<sup>49</sup> and fabrication yards around Lerwick and Scalloway can also weld reinforcement cages and ancillary steelwork. The investment locally in this is estimated to be £23.3 million.

If the civil and electrical scopes are divided into lots that keep individual contract values and bonding requirements within Small to Medium size enterprise (SME) capacity, developer correspondence indicates that about 75% of balance-of-plant spend can remain on the islands, in line with the local-content share shown in **Table 5**. Reaching this level would depend on early release of tender timetables, the use of standardised pre-qualification questions and warranty terms that small and medium-sized firms can realistically meet.

Design and engineering services, valued at roughly £8.64 million, are another area where local capacity is stronger than often assumed. Shetland-based consultancies already deliver surveying, ground investigation, environmental permitting and clerk-of-works roles to energy projects<sup>50</sup>. It is estimated up to 90% of this segment can be captured locally. This could potentially be achieved by adopting a tiered framework that links Shetland practices with national multidisciplinary firms, allowing island consultants to take lead positions on discrete work packages while drawing on additional resource during peak design periods.

If the local content shares listed in **Table 5** are realised, the aggregate local capture across all supply chain stages would approach £36 million—around a quarter of total CAPEX.

## 6.2.2 Operational Phase

It has been estimated that annual OPEX costs would be approximately £2.88 million, as stated in **Table 5**. While 100% of this is expected to be spent locally, these costs have been broken down by work-package using industry standards and verifiable local capability to test the potential for retention of the investment on Shetland:

- Staff costs of £0.90 million are classed as 100 % Shetland content because the twelve long-term technicians and HSQE staff could be recruited from UHI Shetland’s turbine- and HV-training cohorts. Filling these roles locally aligns with the “clean-energy-future” goal, set by SIC through its Fair Share principles, to maximise long-term skilled employment for islanders<sup>51</sup>;
- Routine servicing and minor repairs, budgeted at £0.80 million, can be carried out largely by island contractors—about 85 % local—leaving only specialist callouts to Mainland suppliers;
- Port fees, craning and haulage total £0.30 million; with Lerwick’s 800-tonne lift pad and lay-down areas in place, 90 % of this spend should remain on-island<sup>51</sup>. Some of this may come in via Sullom Voe jetties also;
- Land-lease and community-benefit payments of £0.38 million are expected to flow entirely to local owners and various community funds, as discussed in SIC’s Fair Share report, whereas only 60 % of the £0.5 million estimated to cover insurance and professional services is likely to stay locally – reflecting the need for external brokers, legal advice and ICT support.

Overall, it is reasonable to assume about £2.55 million—roughly 90 % of total OPEX—can be captured within the Shetland economy each year, as summarised in **Table 7** below.

<sup>49</sup> Statkraft UK Ltd. (2019). Projects | Mossy Hill Wind Farm - Statkraft UK. [online] Statkraft.co.uk. Available at: <https://projects.statkraft.co.uk/mossy-hill/>. [Accessed 08/06/2026]

<sup>50</sup> 2019 127 ECUSON Socio-Economic Tourism and Recreation.

<sup>51</sup> Lerwick Port Handbook, 2023-24.

**Table 7 Cost Elements of the Operational Phase**

| OPEX element (annual)                      | £ million   | Shetland content | Notes                                       |
|--------------------------------------------|-------------|------------------|---------------------------------------------|
| <b>Staff costs (12 FTEs)</b>               | 0.90        | 100%             | Wind Turbine & BESS techs, HSQE, site lead  |
| <b>Planned &amp; reactive maintenance</b>  | 0.80        | 85%              | Local technicians plus specialist call-outs |
| <b>Port, cranning, logistics</b>           | 0.30        | 90%              | Lerwick facilities, haulage                 |
| <b>Land lease &amp; community payments</b> | 0.38        | 100%             | Landowners, Fair Share related commitments  |
| <b>Insurance, overheads, services</b>      | 0.50        | 60%              | Professional & ICT services                 |
| <b>Total OPEX</b>                          | <b>2.88</b> | <b>~90%</b>      |                                             |

#### 6.2.2.1 Estimated Economic Impacts

The Proposed Development's local operating profile of £2.55 million per annum is estimated to support 12 full time employees. This estimate of employment is the Applicant's own. These 12 roles could be expected to contribute £2.45m in direct GVA contributions annual (based on the same assumptions as applied to the construction workforce).

Testing this estimate based on ONS data would suggest the OPEX at the Proposed Development would support approximately 5 FTE roles annually. Such a level of direct employment could generate about £900k in GVA annually for Shetland. This sector has a Type I multiplier effect of almost 9, the highest across all sectors other than Oil and Gas. Such a multiplier would generate an additional indirect employment and annual GVA linked to these roles of 34 jobs and almost £7m per annum.

Indirect effects arise when the Operation & Maintenance (O&M) team purchases spares, tools, Personal Protective Equipment (PPE), ICT support and specialist engineering services. With Lerwick now the established O&M hub for Viking Wind Farm and other wind assets, local firms are well placed to supply these needs.

Induced effect would create additional local benefits, supporting further employment and spending. These have not been estimated as the ONS data set does not provide an equivalent Type II multiplier (to estimate induced effects) and applying others may create inconsistencies with the Type I multipliers used here.

Under these circumstances and over the 40-year life, GVA generation on Shetland would be approximately £310m (undiscounted); £35m from direct employment and £275m from indirect employment.

The operational phase represents the largest source of long-term employment and GVA, driven by the retention of annual operating expenditure within Shetland. To support the outcomes set out above, the following measures would be implemented:

- **Expansion of local operations and maintenance (O&M) capacity:** The Proposed Development would support the expansion of Shetland Aerogenerators' operations and maintenance workforce (by approximately 100–150 %) in line with increased installed

capacity. This anchors skilled, permanent employment on the islands and is central to retaining the majority of the Proposed Development's annual OPEX within the local economy.

- **Targeted skills development to close identified operational gaps:** Training and upskilling initiatives would focus on areas identified as constraining local OPEX retention, including 33–66 kV switching, high-voltage maintenance, BESS diagnostics, and advanced turbine servicing. Delivery would be supported through UHI Shetland and reskilling pathways for experienced oil and gas workers.
- **Embedding local-content requirements in O&M contracts:** Local-content Key Performance Indicators (KPI) would be embedded within operational and maintenance contracts (e.g. targets for local maintenance hours and service spend), with performance monitored over time. This provides a clear mechanism for translating operational activity into sustained local jobs and GVA.
- **Development of specialist operational facilities and services:** The Proposed Development would support the development of local facilities and services that underpin long-term value retention, such as blade and composite repair capability, BESS diagnostics and spares handling, and climate-controlled storage. These activities strengthen Shetland's role as an O&M hub and reduce leakage of operational spend off-island.
- **Support for digital and inspection services:** Opportunities would be created for local SMEs to expand into operational support services such as SCADA monitoring, digital analytics, cyber-security, and drone-based inspection, including support for accreditation where required. These services generate additional skilled employment and enhance indirect and induced GVA effects.
- **Long-term workforce pipelines and retention:** Ongoing engagement with schools, careers services, apprenticeships, and graduate programmes would ensure a steady pipeline of locally trained technicians and support staff over the Proposed Development's lifetime, helping sustain employment levels and maximise the long-term economic contribution of the development to Shetland.

With supply-chain measures outlined above in place, the proportion of the annual OPEX that stays in Shetland could potentially increase further than the current 90%. Given the scale of the Type I multiplier effects in this sector, even a modest improvement of a few percentage points could provide small yet tangible uplift in island GVA. The precise benefit would depend on how quickly local firms secure the high-voltage, composite-repair and digital-services work scopes identified, and on whether these activities continue to be sourced on-island throughout the windfarm's 40 year life.

#### 6.2.2.2 Local Supply Chain Capacity and Capability Gaps

The long-term operation of the Proposed Development creates a predictable annual demand for labour, specialist engineering and consumables. **Table 8** below takes the current island capability drawn from UHI Shetland's HV and turbine-technician prospectus (2024) and the Lerwick Port Handbook 2023-24 and identifies the principal gap that would need to be filled to keep the expenditure on-island.

- Wind turbine and BESS servicing can be met almost entirely by the local workforce because UHI Shetland already delivers turbine-technician training and several Tier-2 contractors have transitioned from oil and gas into renewables<sup>52</sup>.

<sup>52</sup> Civico, A. (2024). Ready for a clean energy future. [online] Shetland.org. Available at: <https://www.shetland.org/blog/ready-clean-energy-future>. [Accessed 08/06/2026]

- Port handling and heavy-lift activity required for occasional blade or battery-rack exchanges can also be accommodated at Lerwick, which now offers 800-tonne cranes and lay-down areas<sup>53</sup>.

Gaps begin to appear, however, once more specialised services are considered. These shortages constrain Shetland's ability to retain the full economic benefit of the annual £2.88 million OPEX budget, as discussed above.

- High-voltage switching above 33 kV is still handled by Mainland crews, and there is no on-island facility for composite blade repair or battery diagnostics.
- Digital functions—remote SCADA analytics, cyber-security and drone-based inspections—are similarly under-developed locally, requiring operators to rely on fly-in specialists and increasing leakage of operational spend.

**Table 8 Supply and demand balance for the operational phase supply chain impacts**

| O&M demand category                              | Local capability                 | Principal gap                                     |
|--------------------------------------------------|----------------------------------|---------------------------------------------------|
| <b>Wind Turbine &amp; BESS routine servicing</b> | Strong—UHI courses, Tier-2 firms | Need steady intake to offset ageing workforce     |
| <b>Major component exchange</b>                  | Port crane & haulage available   | No blade or battery-rack workshop                 |
| <b>HV &amp; balance-of-plant maintenance</b>     | 11 kV competence                 | Limited 33–66 kV certification                    |
| <b>Remote monitoring / SCADA</b>                 | Small IT firms                   | Lack of advanced data analytics & cyber expertise |
| <b>Environmental &amp; condition monitoring</b>  | Nascent drone operators          | ISO-qualified inspection capacity                 |
| <b>Consumables, PPE, warehousing</b>             | Local distributors, port stores  | Need climate-controlled BESS spares store         |

### 6.2.2.3 Community Impacts

The social and community impact assessment examines how the Proposed Development, and by extension SAL, might influence everyday life in the Shetland Islands. Whereas the preceding chapter quantified economic flows, this section focuses on people: who lives on the islands, how they are educated and housed, which public services they rely on and what wider community outcomes the Proposed Development could trigger. The current baseline is outlined in Chapter 4, while here the ways in which the Proposed Development—acting both on its own and as part of a wider clean-energy pipeline—might reinforce trends or help mitigate existing pressures is explored.

#### Population

By bringing a steady stream of skilled jobs and supply-chain contracts, the Proposed Development can help counter the local demographic trends. Construction would provide a near-term draw for younger tradespeople, while the 12 permanent operations roles—supported by local training pathways at UHI Shetland—offer rare high-value posts, reducing the need to leave the islands for some. Because the Proposed Development is timed to follow Mossy Hill Wind Farm and precede several consented projects, it can smooth the development pipeline, giving returning graduates

<sup>53</sup> Lerwick Port Authority (2026). Services | Lerwick Port Authority. [online] Lerwick Port Authority. Available at: <https://www.lerwick-harbour.co.uk/operations/services> [Accessed 08/06/2026].

and mid-career workers confidence that renewable-energy employment would be continuous rather than episodic.

Although the scale of the Proposed Development alone would not resolve Shetland’s demographic challenges, it is poised to play a significant role within a broader skills retention strategy, particularly when considered alongside the commitments set out in Chapter 4 of this document. By providing skilled employment during both the construction and operational phases, facilitating apprenticeships and short-term placements, and supporting local training pathways in partnership with UHI Shetland, the Proposed Development contributes to stabilising household incomes and enhancing workforce skills. Furthermore, through its community-benefit funding—anticipated to support initiatives such as STEM outreach and teacher professional development—the Proposed Development sends a clear message that Shetland can offer a sustainable, long-term future in the green-energy sector. This coordinated approach aims to anchor skilled work locally and signal that the islands remain an attractive place for individuals and families seeking viable career opportunities within a growing clean-energy economy.

### Education and Skills

The Proposed Development could influence the pattern described in Chapter 4 where people leave the island which deters future investment in skills. First, the construction phase is expected to offer a limited number of short-term placements and apprenticeships in disciplines such as civil engineering, environmental management and health and safety. These opportunities would give local students practical experience on a live infrastructure development, although the numbers involved are likely to be small relative to the overall student population.

Second, the operational phase would require a permanent team of an estimated 12 turbine and battery-storage technicians together with high-voltage supervisory staff. SAL has indicated a preference to recruit locally in line with SIC’s Fair Share Principles 8 and is in discussion with UHI Shetland about aligning course content with the competencies that would be needed on site. If this alignment is achieved and graduates choose to take up the roles, the Proposed Development would provide a small but stable set of skilled jobs that could improve retention of qualified technicians. However, the scale of demand is limited, and there is a risk that any mismatch between course output and job availability could widen if subsequent projects are delayed or cancelled.

Community-benefit funding allocation would be shaped by the definitive structure of the benefit scheme and ongoing consultation with local stakeholders, ensuring that the community’s priorities are reflected. Drawing on the commitments outlined in Chapter 5 of this report, the Proposed Development is expected to deliver incremental enhancements to existing education pathways, notably through short-term placements and apprenticeships during the construction phase, and the establishment of permanent skilled roles in the operational phase. The Proposed Development’s impact on education would be maximised through effective collaboration between the Developer, local training providers—such as UHI Shetland—and other employers within the renewables sector. This joint approach aims to align training provision with on-site competency requirements, supporting skills retention and offering tangible career opportunities for local residents.

### Housing Impacts

The Proposed Development’s two-year construction programme is expected to create 133 job-years of employment (directly). Over the two year construction programme this is equivalent to 68 workers per year for 2 years. A proportion would be resident in Shetland, but specialist trades

and crane crews are likely to be recruited from the Mainland for short duration contracts. Temporary accommodation would therefore be required, most of it expected to in existing tourism stock due to the short duration.

As the islands' rental market is small and already under pressure during the tourist season; any sudden increase in demand could raise prices or reduce availability for local households and visitors. Experience from the Mossy Hill and Viking Wind Farms suggests that, without planning, approximately half of peak-period workers seek commercial lets. As a worse case, yet unlikely, assumption this might equate to 30-40 extra tenancies during the busiest months of the build.

Although that volume is modest in absolute terms, the demand overlaps with a tourism sector that relies heavily on self-catering properties. If accommodation is secured late or at short notice, displacement effects on tourism income might also occur. SAL can limit this risk by block-booking rooms well in advance, staggering contractual work packages to smooth labour peaks, and, if necessary, providing self-contained lodge-style units on or near the Site that can be removed once construction is complete. These measures proved effective on comparable developments and could keep additional pressure on local rents to a minimum.

The operation would require a permanent team of around 12 wind farm and battery storage technicians. If all posts were filled by existing residents as assumed, the Proposed Development would have no effect on housing demand; additionally, even if half the positions were taken by recruits from outside the islands, the requirement would be for only around six additional dwellings. Against a stock of more than ten thousand homes, such an increment is marginal. Yet is it recognised in a tight market it could still have an effect, particularly if recruits look for newer, family-sized properties that are already in short supply.

In line with the commitments set out in Chapter 5, the Applicant can mitigate any potential housing impacts through possible shared ownership with Hjaltland Housing Association, which could help to fund the creation of new housing or via the incorporation of key-worker housing as part of any community-benefit package could further support local needs and minimise pressure on existing rental stock.

In summary, construction could create a short-lived but potentially noticeable demand for temporary lets, while the operational phase is likely to increase permanent housing need by only a handful of dwellings. Neither effect is expected to be detrimental to the stock in scale, but both would require active planning and coordination with the local housing strategy to avoid exacerbating existing affordability pressures.

#### Public facilities impacts

Shetland's public infrastructure—roads, ports, healthcare, emergency services and digital networks—already serves a dispersed island population and can be sensitive to even modest surges in activity. During the two-year build-out the greatest strain is likely to fall on transport assets, particularly the A970 corridor and Lerwick Harbour. Heavy-goods movements associated with turbine components and concrete deliveries would add to normal traffic levels, but the route has recently been strengthened in connection with other wind projects and is scheduled for further improvement as part of the electricity-grid reinforcement programme. A detailed traffic-management plan, including timed convoys and advance notice to residents, would be designed to keep peak-hour disruption within acceptable limits. Lerwick Harbour already handles offshore supply vessels and has the quay space and cranes required for turbine components. On this basis, any incremental demand would be temporary and is expected to fit within existing port operating windows.

Health and social-care services could experience a slight uptick in consultations during construction, particularly from non-resident workers unfamiliar with local medical provision. NHS Shetland's single acute facility, Gilbert Bain Hospital, operates below national occupancy averages for most of the year, and routine care is delivered through community health centres. The Proposed Development's occupational-health contractor would provide first-line support on site, which should minimise additional pressure on primary and emergency services. In the operational phase the permanent workforce of around a dozen people is not expected to have any measurable effect on service demand.

Education and leisure facilities are unlikely to experience material change. Construction personnel would be present for too short a period to be expected to require school places for family members, and the small number of families that may relocate for operational roles can be absorbed within existing classroom capacities as recent school-roll data show spare places at both primary and secondary levels. Similarly, water, waste and recreational amenities have sufficient headroom to cope with the limited increase in population associated with the Proposed Development.

The Proposed Development could, however, contribute positively to public facilities through ancillary upgrades. Grid-related civil works include ducting for high-speed fibre, which may improve digital connectivity for neighbouring communities.

Specific planned actions that would limit adverse impacts on public facilities and generate positive effects included the following. These commitments, alongside careful planning and coordination with the local housing strategy, are designed to ensure that the impacts on public facilities remain limited and, in many cases, deliver lasting benefits for Shetland's communities.

- **Traffic-management plan:** During construction, a detailed traffic-management plan—including timed convoys and advance notice to residents—would be implemented to minimise disruption, particularly along the A970 corridor and at Lerwick Harbour. This approach helps maintain transport resilience and ensures that any additional demand fits within existing port operating windows.
- **Occupational-health contractor on site:** The Proposed Development would have a dedicated occupational-health contractor providing first-line support to workers. This measure is designed to reduce pressure on local primary and emergency healthcare services, ensuring that the incremental demand is managed effectively.

#### 6.2.2.4 Other impacts

Beyond population, housing, education and public services, the Proposed Development influence a range of less easily quantified community factors, including energy security, tourism perception, community cohesion and overall wellbeing.

At present Shetland's electricity is supplied mainly by the ageing Lerwick diesel station, leaving residents exposed to supply interruptions during severe weather. Islanders are also exposed to some of the highest energy costs in the United Kingdom. Under the current price cap, the typical Shetland household pays about £4,740 a year for energy—more than twice the UK average of £2,074—and 66 % of residents would be in fuel poverty without the cap, compared with the Scottish policy target of below 5 %. The mean domestic consumption in Shetland in 2023 was 8,344 kWh per household which is over twice the amount for Scotland at 3,429 kWh per

household<sup>54</sup>. Colder weather, the absence of mains gas and poor insulation all drive that gap. Greater confidence in reliable, lower-carbon electricity can in turn affect community wellbeing, particularly for lower-income households that currently spend a disproportionate share of income on fuel.

Tourism accounts for roughly 10 % of island employment and £50 million in annual visitor spend<sup>55</sup>. Studies undertaken for previous wind farms indicate that recreation and tourism activities are generally of low sensitivity to onshore turbines, provided that popular viewpoints and heritage assets are respected. While it is recognised that there are two scheduled monuments (burial cairns) on the Hill of Crooksetter which is within the Proposed Development area, and that turbines are visible from The Toft Ferry terminal, the risk of visitor displacement is considered low. Nevertheless, clear signage during component deliveries and timely communication with tour operators would be necessary to avoid short-term disruption during peak visitor months.

Community cohesion can be affected both positively and negatively by large infrastructure projects. On one hand, community benefit funding and the proposed LEDS create new resources for local initiatives. On the other hand, if contract awards and employment appear to flow disproportionately to external firms or labour, perceptions of unfairness may arise. Both the Shetland Energy Development Principles and the Fair Share Principles seek to address this by requiring transparent reporting on local content, workforce origin and the allocation of funding. Adhering to those requirements would be critical to maintaining public trust.

Finally, there is a modest public-health dimension. Construction traffic, noise and shadow-flicker can be sources of annoyance for nearby residents if not well managed. The EIA proposes standard mitigation—controlled working hours, traffic-management plans and continuous noise monitoring—which should keep effects within regulatory thresholds. Over the longer term, the potential reduction in household fuel poverty associated with increased renewable supply could support better physical and mental health outcomes, although any such benefit would depend on wider energy-pricing policy and cannot be attributed to the Proposed Development alone.

Taken together, these “other” impacts are unlikely to be decisive in the planning balance, but they would shape local perceptions of the Proposed Development. However, the commitments outlined in Chapter 5 demonstrate a proactive approach to maximising positive outcomes and addressing concerns. Careful implementation of these Fair Share commitments, clear communication with the tourism sector, and diligent construction management would be essential to ensure that indirect social and cultural effects remain neutral to positive over the life of the Proposed Development, leaving a lasting legacy for Shetland’s communities.

### 6.2.3 Decommissioning Phase

The removal of turbines, foundations and battery units is expected to occur around 2070, once the 40-year operational consent has expired. Although decommissioning would be considerably shorter than construction—likely 12–18 months—it would still generate a modest boost to local economic activity. Specialist crane crews, electrical engineers and civil contractors would be required to dismantle towers, remove cabling and reinstate access tracks. Much of this work mirrors the skill sets developed during construction and operation, meaning a proportion could

<sup>54</sup> Shetland Islands Council (2024) Shetland in Statistics 2024 (p.51). Available at: <https://www.shetland.gov.uk/downloads/file/10684/no-44-shetland-in-statistics-2024> [Accessed 08/06/2026]

<sup>55</sup> Visit Scotland (2024). Shetland - Tourism Research & Insights | VisitScotland.org. [online] [www.visitscotland.org](https://www.visitscotland.org/research-insights/regions/shetland). Available at: <https://www.visitscotland.org/research-insights/regions/shetland>. [Accessed 08/06/2026]



again be sourced from the island workforce that would, by then, have decades of renewables experience.

Economic multipliers could be expected to be smaller than in the construction phase because equipment would be shipped out rather than brought in; however, port, haulage, accommodation and waste-management services should benefit from a short but concentrated uptick in demand. Steel, copper and rare-earth metals recovered from turbines and batteries have appreciable scrap value, and, if a circular-economy facility were established locally, some of that value could be captured on the islands instead of being exported<sup>56</sup>. Conversely, any inability to recycle composite blades or lithium-ion cells in Shetland could create additional shipping and disposal costs that would leak spending off-island.

From a community perspective, the end-of-life stage provides an opportunity to repurpose the Site and its grid connection for repowering, solar-plus-storage, or emergent technologies such as green hydrogen. The Shetland Energy Development Principles already ask developers to engage communities early on future-use planning; doing so could smooth employment transitions and preserve local revenue streams after the original wind farm has been removed.

Overall, the socio-economic effects of decommissioning are expected to be positive but temporary. Decommissioning would require brief rise in skilled employment, service demand and scrap-material revenue, followed by either site restoration or repowering that would set the stage for the islands' next generation of clean-energy projects.

### 6.3 Monitoring, Reporting and Continuous Improvement

Effective monitoring and transparent reporting are central to demonstrating compliance with NPF4 Policy 11(c), which requires renewable energy developments to show how net economic impacts are maximised over time. The approach adopted is designed to ensure that socio economic outcomes—particularly local employment, supply chain participation, and GVA—are tracked, reported, and continuously improved across both the development and operational phases.

#### 6.3.1 Monitoring Framework

The Proposed Development would implement a proportionate, evidence-led monitoring framework aligned with the commitments set out in this Socio-Economic Statement. Monitoring would focus on a defined set of key indicators that directly reflect Policy 11(c) outcomes, including:

- Direct and indirect employment supported during construction and operation.
- Local and ultra-local supply-chain participation, measured through CAPEX and OPEX retention.
- Skills and workforce outcomes, including apprenticeships, training delivery, and progression into operational roles.
- Long-term operational spend retained within the Shetland economy.

These indicators would be monitored on a phase-appropriate basis, recognising the different economic characteristics of construction (short-term, capital-intensive) and operation (long-term, skills and service-led).

<sup>56</sup> Patil, A.B., Paetzel, V., Struis, R.P.W.J. and Ludwig, C. (2022). Separation and Recycling Potential of Rare Earth Elements from Energy Systems: Feed and Economic Viability Review. *Separations*, 9(3), p.56. doi: <https://doi.org/10.3390/separations9030056>.

### 6.3.2 Reporting and Transparency

Performance against monitored indicators would be reported in a transparent and accessible manner, consistent with emerging Scottish Renewables guidance and NPF4 expectations. Reporting would be structured to demonstrate clearly how development expenditure is being converted into local jobs, business participation, and economic value.

During construction, reporting would focus on:

- Job years supported on island.
- Local content achieved within key work packages.
- Progress against supply chain and skills commitments.

During operation, reporting would focus on:

- Permanent employment supported.
- Annual operational expenditure retained locally, as far as is calculable based on shared data.
- Delivery of training, reskilling, and workforce development commitments.

Where appropriate, results would be shared publicly to support accountability and enable comparison with other renewable energy developments, reinforcing confidence that socio economic benefits are being actively managed rather than assumed.

### 6.3.3 Governance and Continuous Improvement

Monitoring and reporting would be embedded within development governance arrangements to ensure that findings inform decision making throughout the development lifecycle. Performance data would be reviewed regularly with delivery partners, including local training providers and supply chain stakeholders, to identify areas where outcomes can be strengthened.

This continuous improvement approach enables the Proposed Development to:

- Respond to changes in local capacity and labour market conditions.
- Refine procurement and skills interventions where benefits are not being fully realised.
- Capture lessons learned and apply them to later development phases, including long term operations and future energy developments in Shetland.

### 6.3.4 Policy Alignment

By linking quantified outcomes directly to defined measures, monitoring progress over time, and adapting delivery in response to evidence, the Proposed Development demonstrates a clear and proportionate approach to maximising net economic impact, as required by NPF4 Policy 11(c). This approach ensures that socio economic benefits are not only identified at the consent stage but are actively delivered, tracked, and enhanced throughout the lifetime of the Proposed Development.

## 7. Conclusions

The Proposed Development is projected to make a meaningful and measurable contribution to several of Shetland's persistent regional challenges:

- During construction, it is forecast to generate or sustain approximately 396 job-years of employment and £81 million in GVA.
- Over its 40-year operational period, it could deliver £310 million (undiscounted) in GVA — comprising £35 million from direct employment and £275 million from indirect economic effects.

These impacts would be beneficial for a region facing demographic strain, youth outmigration, and economic reliance on aquaculture and public services. The construction phase would offer near-term employment and procurement opportunities, while the operational phase would sustain an estimated 12 skilled roles and £2.55 million in annual local expenditure, with up to 90% of OPEX retained on-island.

By aligning recruitment with UHI Shetland's training programmes and embedding local-content targets in procurement, the Proposed Development can help stabilise the skills pipeline and reduce the stop-start pattern that has characterised recent infrastructure work. It's timing — bridging the gap between Mossy Hill and future developments — offers continuity for contractors and a practical test bed for Shetland's Fair Share principles.

Strategically, it arrives at a pivotal moment in Shetland's energy transition, supporting decarbonisation goals while reinforcing local economic resilience and helping to protect and create jobs. Realising its full potential would depend on delivery against the commitments outlined in Chapter 5, including:

- Transparent local-content KPIs and public reporting;
- Early publication of supply-chain opportunities;
- Active engagement with the Empowering Shetland forum;
- Skills development and workforce planning;
- Continuous monitoring and adaptation; and
- Alignment with policy and governance frameworks.

With robust governance and sustained commitment to these principles, the Proposed Development can maximise its socio-economic contribution and serve as a replicable model for future renewable energy development in Shetland.