**Background briefing – Shetland visit May 2024**

**Background**

This paper has been prepared by the secretariat to support the Commission in developing its understanding of just transition issues related to Shetland in advance of its visit May 14-15. It includes material across the following areas:

* Shetland data profile
* Background on North Yell Development Council
* Background on Viking Wind Farm
* Information on peatland restoration
* Information on Shetland’s maritime economy and seafood industries
* Background information regarding progress on Community Wealth Building initiatives
* Relevant recent press cuttings

**Approach**

This briefing collates recent reports, publications, submissions and other documents to support the Commission’s engagement. As this material is very extensive, we have provided a high level summary of some of the key items to support members in determining which they wish to review in detail (please click on the links where applicable).

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# **[Shetland Data Portfolio](https://www.shetlandpartnership.org/downloads/file/57/shetland-final)**

**Population**

* Shetland has a population of 22,900 with communities spread throughout.
* There are 7 localities within Shetland; Shetland Central, Shetland North, Shetland South, Shetland West, Lerwick and Bressay, Yell, Unst & Fetlar, and Whalsay & Skerries.
* Shetland is a group of around 100 islands, with fewer than 20 being inhabited.
* Transport around Shetland includes bus routes, ferries to the islands and flights to two of the remote islands.
* 1.2% decrease in population since 2011; Scotland’s population overall has increased by 2.7% during the same period.
* 21.8% of the population are aged 65 and over, 5.5% more than 10 years ago. In Scotland, 20.1% are aged 65 and over, 3.2% more than in 2011
* 17.9% of the population are under 16 years old, 1.4% less than a decade ago. In Scotland 16.6% are aged under 16, 0.7% less than a decade ago

**Education and Labour Market**

* 11.6% of children are living in poverty, lower than the Scottish average of 20.8%
* The cost of living in Shetland is 20-65% higher than the UK average
* 8.8% of the population claim out of work benefits, the Scottish average is 14.8%
* 97.4% of 16-19 year olds are in education, training or employment. The Scottish average is 94.3%
* Median income is £34,251, this is 3% higher than the Scottish average of £33,095
* Gross weekly pay across Shetland is £859.20, Scotland is £702.80[[1]](#footnote-2)
* There are no areas within the most 20% deprived Scottish Index of Multiple Deprivation in 2020.

# **Shetland Council**

**Background**

Shetland Islands Council (SIC) published their [climate change strategy](https://www.shetland.gov.uk/downloads/download/1673/sic-climate-change-strategy-2023-2027) in 2023, along with an associated [action plan](https://www.shetland.gov.uk/downloads/file/7396/sic-climate-change-action-plan) and a framework for monitoring and reporting on progress on climate action.

The purpose of the strategy is mitigation and adaptation, encompassed by the need for a Just Transition. Central to delivering the strategy is maximising the social, economic and environmental co-benefits to the council and the community.

The Climate Change Strategy’s aims for Shetland are as follows:

* We are an organisation and community that is resilient to our changing climate
* We are a net zero organisation and community
* Equality and fairness are at the heart of the transition to net zero
* Opportunities to maximise the social, economic and environmental benefit to the community are optimised

The remote location and climate of Shetland, along with decades of infrastructure designed around oil and gas, mean it will be challenging for the Council and for Shetland to transition to net zero. This includes the challenges that all Local Authorities face, such as decarbonising heat, in addition to unique ‘island-based’ ones such as aviation and a diverse fleet of marine vessels.

**SIC climate strategy: peatland**

* Peatland restoration is the single most impactful mitigation measure for Shetland.
* Roughly half of Shetland’s land cover is peatland, and 79% of this is severely or partially degraded, due to historical overgrazing and drainage. Within the Council land holdings, most of this land type sits within croft sites, which are still leased for crofting including sheep farming. While peatland restoration options are available in Shetland, their success relies on fundamental changes to traditional livestock practices. Coupled with the ongoing issues concerning funding and subsidy loss when undertaking restoration, this has meant that uptake of peatland restoration schemes remains far lower than that needed to significantly reduce emissions by 2045.
* Key actions:
  + Support an increase in levels of peatland restoration and tree planting works occurring across Shetland through skills development, building capacity, raising awareness and streamlining access to available funding.
  + Aspire to protect peatland habitat, carbon-rich soils, wild land and coastal landscapes from planned development.

**Action Plan**

* Undertake a feasibility study to understand the potential economic opportunities, risks and resource requirements from undertaking nature based solutions projects, such as peatland restoration and tree planting. This will include the potential income from carbon credits and also the potential for new industry and job creation in Shetland.
* Identify measures to enable more holistic, landscape scale restoration projects with contractors in Shetland to enable the Council to scale up to restoring 350 ha of peatland per year within the SIC landholdings between 2023 and 2028, then scale up to 2,500 thereafter across Shetland from 2030 and onwards. Develop an action plan and project pipeline for SIC peatland restoration and begin implementation.
* Work with partners to increase awareness of the importance peatland restoration, woodland creation and blue carbon in reducing Shetlands GHG emissions. Develop a programme of campaigns, information and resources.

**SIC climate strategy: marine**

* Key actions:
  + - Replace the Council marine fleet with low- carbon alternatives. The market for low-carbon vessels is emerging, however it is likely that alternatives utilising either hydrogen fuel cell, hydrogen derivative fuel, hydrogen derivative fuel, battery electric or dual fuel propulsion systems will be developed.

**Action Plan**

* Continue the work of the Marine Working Group to share knowledge of marine decarbonisation and engage with opportunities for decarbonisation, including seeking and promoting funding opportunities to develop data, information and pilot projects

**SIC climate strategy: Community Benefit**

**Action Plan**

* Adopt a ‘One Shetland’ approach to engagement with developers and development of Shetland’s capability and capacity to deliver large scale energy transition projects. Maximise community benefit through the Energy Development Principles and campaign to see that the Energy Development Principles have influence through all stages of development / regulatory events.

# **North Yell Development Council**

**Background**

NYDC was established to strengthen the community and enhance the local tradition of pulling together to get things done, with a focus on making North Yell a better place to live, work and visit. From the outset the group identified the importance of Enterprise, Initiative and Self-Help, which continue to be our fundamental principles.

The objectives of NYDC are:

1. To relieve poverty and unemployment among the residents of North Yell
2. To advance education among the residents of North Yell, particularly among the young and the unemployed
3. To promote and/or provide training in skills of all kinds, particularly in skills that will assist  
   residents of North Yell in obtaining employment
4. To promote/establish and operate other schemes of a charitable nature for the benefit of the community of North Yell.
5. To promote trade and industry, for the benefit of the general public

Further information on the North Yell Development Council can be found on their [website](https://www.northyell.co.uk/).

**Carbon Neutral Island**

The Carbon Neutral Island (CNI) project is a Programme for Government commitment by the Scottish Government, focusing on the islands of Yell, Barra, Cumbrae, Hoy, Islay and Raasay to support them to become carbon neutral by 2040. In this first phase of activities, wide ranging baseline carbon audits were carried out for each island which identified key carbon sources and sinks with the aim of stimulating discussion and engagement with the local community. These discussions have helped to identify and shape the key community priorities presented in this island-led action plan in an effort to lower emissions and improve resilience on Yell.

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# **Viking**

**Background**

The Viking wind farm is a 103-turbine, 443MW onshore wind farm that will harness the excellent wind conditions in the Shetland Islands to be capable of producing enough energy to power the equivalent of almost half a million homes, including every home in Shetland.

**Benefits**

* Viking is committed to a community benefit fund of £72 million over the 25 year lifetime of the windfarm. The four community council areas which play host to Viking turbines will be prioritised in the distribution of these benefits.
* The wind farm underpins the Shetland HVDC link and unlock Shetland’s wider renewable energy potential, delivering Shetland’s future security of electricity supply and helping to decarbonise Shetland’s oil and gas sector.
* Once construction is complete, Viking will provide a new public road (formerly a project haul road) at Sandwater which will benefit the travelling public in Shetland for decades to come and improve east-west linkage of the public road network.
* Much of the Viking site is located on heavily eroding and degraded peat. Viking’s Habitat Management Plan has been approved by SEPA, SNH and Shetland Islands Council.
* The people of Shetland will benefit from a preferred return on Shetland Charitable Trust’s initial financial stake in Viking each year for the lifetime of the wind farm. Shetland Islands Council will benefit directly as a landowner on the site and over 200 crofting families will benefit from 50% of the wider ground rental payments on crofted estates.

Further information can be accessed at [Viking Wind Farm | Renewable Energy Solutions in Shetland (vikingenergy.co.uk)](https://www.vikingenergy.co.uk/)

# **Peatland restoration – background briefing**

**Submission from John Muir Trust**

1. Understanding the carbon and biodiversity costs of building onshore wind on peatland (and how these can vary with sites) is part of informing decisions about where peatland should be protected and restored vs where it can be disturbed and destroyed. We believe these are critical trade-offs that consenting decisions for onshore wind need to keep in mind.
   * [An article we published yesterday about onshore wind consenting decisions made under NPF4](https://www.johnmuirtrust.org/whats-new/news/1705-scotlands-peatland-policy-update) which have implications for peatland. We are concerned that Planning Authorities are not paying enough attention to the wording in Policy 5 of NPF4 which has been written with the policy intention to protect peatlands. We are also generally concerned that the biodiversity and carbon emission reduction outcomes of NPF4 are not being properly considered in decisions to consent onshore wind development on peatlands.
   * [An article about wind farms and blanket bog as part of Nottingham Trent University’s research](https://www.ntu.ac.uk/about-us/news/news-articles/2023/03/researchers-warn-of-urgent-need-to-understand-impact-of-windfarms-on-precious-peatlands). Full study available at: <https://www.nature.com/articles/s41598-023-30752-3>. The research supports the need for policy makers to understand or commission evidence assessment of the impacts of windfarms on peatlands to ensure that efforts to meet energy targets do not undermine reducing emissions from nature based approaches to land management.
   * The John Muir Trust’s [Just Transition publication](https://www.johnmuirtrust.org/resources/1127-just-transition-and-wild-places), chapter on Energy, in which we stated ‘Most of Scotland’s peatlands are degraded, which means they emit rather than remove carbon. But they have a remarkable power of recovery and can be restored to full health by ‘rewetting’ - blocking drains and regenerating protective vegetation cover. Despite this knowledge, wind farm developers continue to target locations where peatland and other carbon-rich soils predominate. In north-west Skye, for example, a developer has recently brought forward a proposal for a 60-turbine wind farm on a site composed of ‘Class 1 Peatland’ – defined by NatureScot as containing “nationally important carbon-rich soils, deep peat and priority peatland habitat”. The associated infrastructure – concrete foundations, bulldozed vehicle tracks, pylons, cables, transmission lines, a power sub-station – will inevitably and unavoidably involve extensive soil damage and carbon release’ [The proposed 60 turbine development being referred to is the Glen Ullinish II wind farm. The number of turbines may have been reduced through the scoping process but the site is one which we believe should have been avoided altogether. It is an example of a site where peatland restoration could have been a priority].
2. Role of onshore wind in a just transition future.
   * Research attached, ‘RENEWABLE FUTURES: Panacea or Problem?’ produced by Yujuan He, a student at the Architectural Association School of Architecture. The paper points out the existing policy contradictions surrounding the supportive planning policy for onshore wind vs the known value of peatlands as a national carbon store. It also provides insight into community ownership vs corporate. There are questions that the Commission could raise about whether the centralised energy generating model we have is a just one? From the report ‘*In 2022, Scotland's onshore wind farms could together produce electricity valued at over 3.5 billion pounds. But only 22 million pounds will go to the communities, just 0.6% of the value of the electricity produced on their doorstep, which is 2 days worth of a year of electricity production*.’
   * Communities on Skye have a vision for their energy future which is not one of centralised energy generation but locally owned power: <https://skyewind.co.uk/skye-energy.html>
   * Please see our response to the Draft Energy Strategy and Just Transition Plan for further thoughts on how revised policy related renewable energy could be bringing about greater community benefit (response [available online](https://www.johnmuirtrust.org/resources/1414-trust-response-to-scottish-governments-draft-energy-strategy)).
3. Scottish Government progress on mapping peatlands will be valuable to understanding where to target restoration efforts.
   * In a meeting with Scottish Government on 3 April we asked about updated peatland maps which are to show peat extent, depth and condition (James Hutton Institute commissioned to complete). The Scottish Government said these are expected in summer. These could be useful in guiding where to target restoration for the best chances of success and for the greatest benefits in terms of carbon savings and biodiversity. Could allow the Governmentt to focus efforts on the most highly emitting areas for restoration.
4. The Scottish Government’s Peatland Advisory Group
   * A sub-group of this group is reviewing NatureScot’s guidance about development on peatland. (I thought the Commission might want to be aware that this work is underway.) As part of this work the sub-group is considering definitions surrounding peatland re-use on onshore wind sites and the appropriate ways to re-use peat on wind farm sites.
   * I have attached a paper about the re-use of excavated peat at Viking wind farm which is a record of an assessment undertaken by NatureScot in October 2023. The Report is encouraging suggesting that restoration of hagged, eroded and gullied peat can be achieved with the re-use of excavated peat from wind farm sites. It concludes ‘BLANKET BOG priority habitat is likely to be restored on the restoration areas. If not, it is likely that Wet Heath, will be restored.’
   * The members of PEAG have visited onshore wind sites to understand the quality of peatland restoration work that takes place on a wind farm. We would really encourage the members of the Commission to speak to local people about the Viking wind farm development and to hear what people have to say about it.
5. Scottish Government’s draft Energy Strategy and Just Transition Plan
   * For the Scottish Government to achieve outcomes for nature restoration we need the Scottish Government’s Energy Strategy to not undermine the Scottish Government’s Biodiversity Strategy and associated delivery plans, the 30 by 30 commitments and future nature recovery targets that might be forth-coming in a new Natural Environment Bill. We suggested in our response ([online here](https://www.johnmuirtrust.org/resources/1414-trust-response-to-scottish-governments-draft-energy-strategy)) that it’s not too late for the Government to take a pro-active policy approach to including nature recovery within the Energy Strategy.

**Submission from Dr Andrew Moxey, Pareto Consulting**

1. A paper on the “barriers and opportunities facing the UK Peatland Code: A case-study of blended green finance”



1. [Andrew Moxey Assessing the opportunity costs of peatland restoration revised v2.pdf (iucn-uk-peatlandprogramme.org)](https://www.iucn-uk-peatlandprogramme.org/sites/www.iucn-uk-peatlandprogramme.org/files/Andrew%20Moxey%20Assessing%20the%20opportunity%20costs%20of%20peatland%20restoration%20revised%20v2.pdf)
2. [CoI Funding.pdf (iucn-uk-peatlandprogramme.org)](https://www.iucn-uk-peatlandprogramme.org/sites/default/files/2019-11/CoI%20Funding.pdf)
3. [The cost of peatland restoration in Scotland | SEFARI](https://sefari.scot/research/the-cost-of-peatland-restoration-in-scotland)

**Submission from National Trust for Scotland**

The National Trust for Scotland owns c. 1,100 ha of land on Unst and c.246ha on Yell. We have an interest in restoring areas of eroded peatland and are trying to find ways to take this forward.

On Yell our ground is crofted. In 2021 the grazings committee initiated a 59ha peat restoration project, funded by Peatland Action. We were very happy to see this happen and had to step in at short notice to fund the construction of a fence to help keep sheep out of the area undergoing restoration. The project was a success, and both the crofters and NTS would like to continue with a follow-up restoration project on an additional 180ha of blanket bog. However, as there is now nowhere else to remove their sheep to, there is no obvious way to reduce density to the level required for Peatland Action to provide funding. Without some form of incentivisation it is difficult to see a way forward. I have heard that this is not an isolated case on Shetland, with other crofters willing to see peat restoration happen but not to reduce their sheep to allow it to go ahead without some form of compensation. The most pressing issue to resolve is whether crofters have a right to a share in any carbon credits resulting from peat restoration on ground that they have shares in.

On Unst we have a similar situation, but this time with an agricultural tenant. Once again, there is work to be done, and we have had a peat depth and condition survey completed, once again with help from Peatland Action. We are working on finding a way forward, but without incentivisation the farmer is reluctant to consent to ditch blocking and had re-profiling taking place.

**Submission from Scottish Government on peatland restoration**

**Scotland’s Peatlands**

* Peatlands cover over 2 million hectares (or 25%) or Scotland and are of national and global significance.
* 60% of all UK peatlands are found in Scotland, and our blanket bog represents around 10% of the global total.[[1]](https://ukc-word-edit.officeapps.live.com/we/wordeditorframe.aspx?ui=en-GB&rs=en-US&wopisrc=https%3A%2F%2Fscotsconnect.sharepoint.com%2Fsites%2FJustTransitionUnit-SG%2F_vti_bin%2Fwopi.ashx%2Ffiles%2F5186e7d139264ea785acee914449d8da&wdenableroaming=1&mscc=1&hid=E7C823A1-4025-8000-A0F1-D05E5799502E.0&uih=sharepointcom&wdlcid=en-GB&jsapi=1&jsapiver=v2&corrid=2bce5084-39dc-cf48-4f9b-9ee12fbbab60&usid=2bce5084-39dc-cf48-4f9b-9ee12fbbab60&newsession=1&sftc=1&uihit=docaspx&muv=1&cac=1&sams=1&mtf=1&sfp=1&sdp=1&hch=1&hwfh=1&dchat=1&sc=%7B%22pmo%22%3A%22https%3A%2F%2Fscotsconnect.sharepoint.com%22%2C%22pmshare%22%3Atrue%7D&ctp=LeastProtected&rct=Normal&wdorigin=ItemsView&wdhostclicktime=1714402990584&instantedit=1&wopicomplete=1&wdredirectionreason=Unified_SingleFlush#_ftn1)
* In good condition, peatlands provide multiple co-benefits: capturing and storing carbon, supporting nature, reducing flood risk, improving water quality and providing places that can support physical and mental wellbeing.
* Peatlands cover 3% of the world’s surface yet store 30% of its soil carbon.  The carbon stock of deep peat in Scotland is estimated at 1.8 billion tonnes of carbon with an additional 957 million tonnes of carbon in the shallower peat soils: all in, equivalent to more than 85 years’ worth of Scotland’s annual greenhouse gas emissions[[2]](https://ukc-word-edit.officeapps.live.com/we/wordeditorframe.aspx?ui=en-GB&rs=en-US&wopisrc=https%3A%2F%2Fscotsconnect.sharepoint.com%2Fsites%2FJustTransitionUnit-SG%2F_vti_bin%2Fwopi.ashx%2Ffiles%2F5186e7d139264ea785acee914449d8da&wdenableroaming=1&mscc=1&hid=E7C823A1-4025-8000-A0F1-D05E5799502E.0&uih=sharepointcom&wdlcid=en-GB&jsapi=1&jsapiver=v2&corrid=2bce5084-39dc-cf48-4f9b-9ee12fbbab60&usid=2bce5084-39dc-cf48-4f9b-9ee12fbbab60&newsession=1&sftc=1&uihit=docaspx&muv=1&cac=1&sams=1&mtf=1&sfp=1&sdp=1&hch=1&hwfh=1&dchat=1&sc=%7B%22pmo%22%3A%22https%3A%2F%2Fscotsconnect.sharepoint.com%22%2C%22pmshare%22%3Atrue%7D&ctp=LeastProtected&rct=Normal&wdorigin=ItemsView&wdhostclicktime=1714402990584&instantedit=1&wopicomplete=1&wdredirectionreason=Unified_SingleFlush#_ftn2).
* But it has been estimated that around three quarters of our peatlands are degraded through drainage, extraction, overgrazing, burning, afforestation and development. Degraded peat offers fewer benefits and emits carbon, now accounting for around 15% [6.3 MtCO2e/yr in 2021] of Scotland’s total net emissions and worsening the climate emergency.
* Caring for our peatlands, and reducing peatland emissions, through protection, management and restoration is critical to mitigating and adapting to the linked climate and nature emergencies, and is a key plank of Scotland’s Just Transition to net zero.

**Widening Our Perspective: Protect, Manage, Restore**

* Our policy focus to date has centred on restoration of degraded peatlands in order to return them to better condition and secure the wide range of ecosystem services and co-benefits they offer.
* That is why the Scottish Government has committed £250 million over 10 years to restore 250,000 hectares of degraded peatlands by 2030.  To date, we have achieved around 65,000 hectares of this and we are committed to significantly increasing the annual rate of restoration to meet this target.
* Putting degraded peatlands on the road to recovery in this way will reduce the amount of climate-warming greenhouse gases they release.
* However, emerging science is pointing to the potentially significant additional emissions reductions that may be available from other interventions beyond restoration.  These include reduced grazing by wild and domestic herbivores, full or partial rewetting of cropland, grassland and extraction sites, and the downward emissions correction from the misclassification of grassland on peat.
* To allow us to consider the emissions savings from these other types of measures, going forward we will progressively shift our primary focus from outputs (hectares restored) to outcomes (emissions reduced).
* Counting the additional emissions savings from this wider suite of measures alongside those from restoration will, in time, allow us to evidence equal or greater emissions savings than from restoration alone should it not prove possible to scale up to annual restoration hectares targets.
* We will organise the wider peatland policy and delivery work we are doing across all these different measures under the following three pillars:

1. **Protection**: measures that limit or avoid loss of broad inherent peatland functionality, and that prevent harm to peatlands already in good condition (including those that were previously degraded but are now restored) and ensure currently degraded peatlands do not get any worse;
2. **Management**: positive measures taken by landowners and managers to actively manage and improve degraded peatlands, and that complement restoration;
3. **Restoration**: targeted capital interventions to modify and improve inherent peatland functionality to achieve a positive (healthy) condition.

* We will also progress work to develop the **supporting and regulatory environment** underpinning all three pillars to stimulate landscape-scale shifts towards the care of our peatlands.  Measures include: new regulatory and fiscal levers to stimulate supply and demand; the provision of specialist training, support, guidance and expertise to help landowners and managers understand the opportunities on their peatlands and assist with the design, delivery and financing of any schemes progressed.

**Peatlands And Climate Change Mitigation And Adaptation**

* Healthy peatlands have an important part to play as an outstanding nature-based solution to both climate change mitigation and adaptation.
* Peatland protection, management and restoration raises and maintains the water table in peatland systems and returns their ability to capture and store carbon.  It also increases the resilience of peatland ecosystems, allowing them to adapt to climate change and to continue delivering the other benefits they provide to wider society.
* Given this dual role in tackling the linked climate and nature emergencies, peatlands feature prominently in both the Climate Change Plan, the Scottish National Adaptation Plan, the Scottish Biodiversity Strategy and several Just Transition Plans.

**Peatland Restoration**

* The Scottish Government has committed £250 million over 10 years to restore 250,000 hectares of degraded peatlands by 2030.  We estimate that approximately 65,000 ha have been restored to date, leaving another 185,000 ha left to restore over the next 6 years requiring current annual restoration rates to more than treble.
* The First Minister’s policy prospectus ‘New Leadership - A Fresh Start’, published on 18 April 2023, commits to reaching 110,000 hectares by 2026.
* The Scottish Government funds five direct delivery partners to carry out peatland restoration projects through the Peatland ACTION partnership - NatureScot, Forestry and Land Scotland, Cairngorms National Park Authority, Loch Lomond and Trossachs National Park Authority and Scottish Water.
* Through supporting good, green jobs in the rural economy, our investment will also play a part in Scotland’s Just Transition to net zero by 2045.
* Our 10,700 ha target for 2023-24 represents a 40% increase over the 7,500 ha restored last year (2022-23), which itself was a 35% increase over the 5,400 ha restored in 2021-22. Verified restoration figures for 2023-24 will be available in May 2024.
* This growth rate in restoration is welcome and promising, but we are still behind the pace required to meet our climate change plan commitment on emissions from degraded peatland.
* A detailed delivery improvement plan is in place and aims to accelerate rates of restoration, focusing on increasing sector capacity and addressing key bottlenecks.
* We are working hard with our delivery partners through the Peatland ACTION partnership to tackle the many barriers to upscaling peatland restoration in this relatively young sector.

# **Scottish Government’s Marine Just Transition Project**

**Aim**

* The aim of the Just Transition work in Marine Directorate is to support marine sectors and coastal communities make the changes needed to reduce emissions, adapt to climate change and improve the marine environment for the benefit of all.
* These aims will help us to meet our [net zero](https://www.gov.scot/policies/climate-change/) and [biodiversity targets](https://www.gov.scot/publications/scottish-biodiversity-strategy-2045-tackling-nature-emergency-scotland/) by 2045 as well as achieve a sustainable [blue economy](https://www.gov.scot/publications/blue-economy-vision-scotland/pages/2/).

**Place Based Approach**

* Acknowledging that barriers and potential solutions to a Just Transition are different across Scotland, we will take a place-based approachto engagement to allow local solutions to be identified more readily.
* We will consider the economic, social, and the cultural-historical importance of Scotland’s marine environment to our coastal communities.
* We will engage with people from a range of backgrounds (including workers, community groups, businesses, young people and civil society organisations) to identify barriers to make sure the **transition is as fair and equitable as possible** and maximise opportunities relating to [Scotland’s Blue Economy vision](https://www.gov.scot/publications/blue-economy-vision-scotland/).

**Workstreams**

* **Early and wide engagement**
  + We will identify a small number of communities in the first instance to test our approach with the intention to roll out wider engagement across Scotland over time.
  + We are working collaboratively with stakeholders to consider and develop proposed project timelines and outputs.
  + Engagement will have multiple purposes: 1) re-build relationships and trust 2) set out the evidence, highlighting the benefits of a nature positive approach for businesses and communities for a sustainable blue economy 3) identify those affected by changes, identify barriers to change, work towards the co-design of solutions and maximise opportunities in the journey to net zero, adapting to climate change and improving the marine environment.
* **Integration**
  + We are embedding Just Transition principles across marine policy development (e.g. fisheries, aquaculture, offshore renewables, eco-tourism, marine protection).
  + Recognising that [Just Transition principles](https://www.gov.scot/publications/transition-commission-interim-report/pages/4/) amount to good policy making, we are collaborating across policy teams to collate information on where Just Transition work has happened already in Marine, where it is currently underway, and where it sits in upcoming activity and what we can do to support it.
  + We are working with policy teams to coordinate engagement wherever it is possible to avoid stakeholder fatigue
  + We are supporting engagement and policy development of specific issues through a just transition lens
    - Impacts of MPA management measures of fisheries
    - Impacts of offshore wind developments on marine sectors (including fisheries)
* **Evidence**
  + - We will build a **robust and transparent evidence base** and use this to communicate in clear and convincing ways why Just Transition matters and what it means for people and their local communities.
    - We will develop a robust monitoring, evaluation and reporting strategy to understand the ongoing impact of and continuously improve our marine Just Transition work in partnership with those impacted by change.

**Progress (25 March 2024)**

* Building project team and tools (stakeholder tracker, action tracker)
* Building networks and governance structure (interest group and oversight group)
* Submission to Cab Sec and follow up meeting (December/January)
* Workshop and presentation with NatureScot 13 March 2024
* Marine just transition engagement plan in progress – to be completed end May 2024
* Marine just transition integration plan in progress - to be completed end May 2024

# **Data on Shetland Fishing Industry**

**Background**

Shetland’s seafood industries (fishing, aquaculture and seafood processing) makes a significant contribution to the islands economy. Some high level statistics have been provided below, and sources provided for further reading.

One of the most prominent issues locally at the moment is the issue of ‘spatial squeeze’ – this is a particular complaint of the fish catching sector as the sea is used more and more by competing industries (e.g. aquaculture), as developments in renewable energy pick up pace (e.g. offshore wind) and as more protective measures come into place which limit marine activity (e.g. MPAs).

**Overview**

* Shetland’s economy is dominated by maritime industries, and in particular by the seafood industries: fish catching, aquaculture and seafood processing.
* The total value of the economic output from the seafood industries was some £440 million in 2017.
* Other maritime sectors of the economy (engineering2 and sea transport) contributed a further £31 million to the value of the maritime sector of Shetland’s economy, bringing the total to £471 million.
* In contrast, the value of the economic output from the oil industry in Shetland was only £4.4 million in 2017, less than 1% of the total.
* Agriculture accounted for £17.4 million of economic output in 2017.

**Fishing**

* 49,000 tonnes of fish and shellfish worth £70 million were landed in Shetland in 2021.
* More fish and shellfish were landed in Shetland in 2021 than in any other port in the UK except Peterhead and more finfish was landed in Shetland than in all of England and Wales.
* Shetland-based fishing boats accounted for half of all the fish and shellfish landed in Shetland in 2020
* Shetland boats landed just over 112,000 tonnes of fish and shellfish worth some £110 million in 2021 (

**Papers relevant to the Shetland maritime industries.**

[Shetlands-Maritime-Economy-2022-04.pdf (uhi.ac.uk)](https://www.shetland.uhi.ac.uk/t4-media/one-web/uhi-shetland-images-and-documents/research/statistics/economy/Shetlands-Maritime-Economy-2022-04.pdf)

[Shetland-Fisheries-Statistics-2021.pdf (uhi.ac.uk)](https://www.shetland.uhi.ac.uk/t4-media/one-web/uhi-shetland-images-and-documents/research/statistics/shetland-fisheries-statistics/Shetland-Fisheries-Statistics-2021.pdf)

**Biodiversity**

* The Scottish Marine Assessment 2020 showed that a number of marine species were in decline. If we do not address biodiversity loss, there is a risk that the marine environment will not remain resilient enough to provide the resources and benefits we gain from it for the long term.
* From the SMA2020: for our 21 marine regions, 9 did not meet the criteria set for acceptable levels of disturbance and were considered to be in poor condition. Fishing was identified as the dominant pressure-causing activity in the Scottish marine environment.
* The most recent assessment under the UK Marine Strategy showed that, across the UK, 11 out of the 15 ecosystem components failed to achieve Good Environmental Status – a measure of the health of our seas. That is clearly not acceptable, and we need to act urgently to tackle that.

# **Community Wealth Building**

The Scottish Government has adopted the internationally recognised Community Wealth Building (CWB) approach to economic development as a key practical means by which we can achieve our wellbeing economy objectives outlined in the [National Strategy for Economic Transformation (NSET).](https://www.gov.scot/publications/scotlands-national-strategy-economic-transformation/)

Future Economy Scotland recently published a report [Rewiring Local Economies: Community Wealth Building for a Just Transition](https://www.futureeconomy.scot/publications/63-rewiring-local-economies-community-wealth-building-for-a-just-transition).

CWB is designed to harness the economic leverage of local ‘anchor’ organisations (such as local councils, health, universities, colleges, housing associations, or large local private sector employers) to tackle long standing systematic challenges and structural inequalities within our communities.

CWB acts as a framework for activity across five interlinked pillars:

* **Spending:** Maximising community benefits through procurement and commissioning, developing good enterprises, fair work and shorter supply chains.
* **Workforce:** Increasing fair work and developing local labour markets that support the wellbeing of communities.
* **Land and property:** Growing social, ecological, financial and economic value that local communities gain from land and property assets.
* **Inclusive ownership:** Developing more local and social enterprises which generate community wealth, including social enterprises, employee owned firms and cooperatives.
* **Finance:** Ensuring that flows of investment and financial institutions work for local people, communities and businesses.

**CWB in Scotland**

There has been significant progress in implementing CWB in Scotland over the past few years. Much of this has been led by local authorities, often in partnership with their community planning partners.

Perhaps the most high-profile initiative has been in North Ayrshire. You can find out more about CWB in North Ayrshire via the council’s [website](https://www.north-ayrshire.gov.uk/council/community-wealth-building/community-wealth-building.aspx) and it also features as a case study in the Future Economy Scotland report linked above.

There are five CWB pilot areas:

* Clackmannanshire
* Fife
* Glasgow City Region
* South of Scotland
* Western Isles

**Legislation**

The Programme for Government 2021-22 has a commitment to bring forward Community Wealth Building legislation within this Parliamentary session.

# **Press cuttings**

**Industry**

* Workshop Tackled Aquaculture Challenges in Shetland, News from University of the Highlands and Islands, [link](https://www.uhi.ac.uk/en/media/news/workshop-tackled-aquaculture-challenges-in-shetland.html)
* Shetland set for its first whisky distillery, BBC News, [link](https://www.bbc.co.uk/news/articles/c51n0d39l55o)
* Giant underground salmon farm tunnels proposed in Shetland, Ross Hunter, The national, [link](https://www.thenational.scot/news/24265968.giant-underground-salmon-farm-tunnels-proposed-shetland/)
  + Farmingexpert diagram [Tunnel salmon farmer reveals location of Shetland site (fishfarmingexpert.com)](https://www.fishfarmingexpert.com/norwegian-mountain-salmon-shetland/tunnel-salmon-farmer-reveals-location-of-shetland-site/1756623)
* UHI launches cutting-edge Centre for Sustainable Seafood in Shetland, News from University of the Highlands and Islands, [link](https://www.uhi.ac.uk/en/media/news/uhi-launches-cutting-edge-centre-for-sustainable-seafood-in-shetland.html)
* Seafood industry determined to take the lead on sustainability narrative, Hans J Marter,Shetland News, [link](https://www.shetnews.co.uk/2024/04/30/seafood-industry-determined-take-lead/)

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* HSE blasts Diamond for poor procedures ahead of incident at BP field, Michael Behr, EnergyVoice, [link](https://www.energyvoice.com/oilandgas/north-sea/552680/hse-blasts-diamond-for-poor-procedures-ahead-of-kit-collapse-at-bp-field/)
* Financially troubled UHI Shetland sets out strategy to close Lerwick campus, Shetland Times, [link](https://www.shetlandtimes.co.uk/2024/05/03/financially-troubled-uhi-shetland-sets-out-strategy-to-close-lerwick-campus)
* Helicopter crews strike in national dispute, Chris Cope, Shetland News, [link](https://www.shetnews.co.uk/2024/05/07/helicopter-crews-strike-in-national-dispute/)

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* Highland Fuels opens Shetland’s first renewable diesel pump, Hans J Marer, Shetland News, [link](https://www.shetnews.co.uk/2024/04/25/highland-fuels-opens-shetlands-first/)
* Triangle Energy eyes West of Shetland deal with Shell, Allister Thomas, Energy Voice, [link](https://www.energyvoice.com/oilandgas/north-sea/west-of-shetland/551379/triangle-energy-shell-west-of-shetland-deal/)
* Wind farm mast… Shetland News, [link](https://www.shetnews.co.uk/2024/05/02/wind-farm-mast-support-swinney/)
* SSE withdraws application to close road for over two months, Chloe Irivine, Shetland Times, [link](https://www.shetlandtimes.co.uk/2024/05/01/sse-withdraws-application-to-close-road-for-over-two-months)
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* “The UK’s privatised energy system isn’t delivering for Orkney and Shetland.”, The Orkney News, [link](https://theorkneynews.scot/2024/05/07/the-uks-privatised-energy-system-isnt-delivering-for-orkney-and-shetland/)
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* Shetland spaceport closer to vertical launch after gaining crucial licence, Tom Pashby, New Civil Engineer, [link](https://www.newcivilengineer.com/latest/shetland-spaceport-closer-to-vertical-launch-off-after-gaining-crucial-licence-25-04-2024/)
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* Stantec named preferred bidder for Shetland inter-island connectivity programme, Scottish Construction Now, [link](https://www.scottishconstructionnow.com/articles/stantec-named-preferred-bidder-for-shetland-inter-island-connectivity-programme)
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* Loganair removes flights to concentrate on improving isles reliability, Shetland Times, [link](https://www.shetlandtimes.co.uk/2024/04/24/loganair-removes-flights-to-concentrate-on-improving-isles-reliability)

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