

**Development Committee****15 June 2015****Local Development Plan Update Report**

Report Number: DV-37-15-F

**Report Presented by: Director of  
Development Services****Development Services Department****1.0 Summary**

- 1.1 This report provides an update on the next Shetland Local Development (LDP2) and Supplementary Guidance (SG).

**2.0 Decision Required**

- 2.1 That the Committee RESOLVES to approve the programme and priorities in respect of LDP2 and SG set out in this report.

**3.0 Detail**

- 3.1 This report sets out the progress on the next Shetland Local Development Plan (LDP2) and the Supplementary Guidance (SG) associated with the existing adopted LDP, as requested by the Development Committee on 25 March 2015 [Min Ref: 12/15].
- 3.2 The LDP was adopted in September 2014, work on associated supplementary guidance is ongoing. Work on LDP2 commenced in January 2015 and the timetable for progressing this and the opportunities and means of community and stakeholder engagement form the Development Plan Scheme, approved by the Development Committee on 25 March 2015 [Min Ref: 12/15].
- 3.3 The main statutory stages in the preparation and delivery of the Shetland Local Development Plan are:
- Publication of the Development Plan Scheme
  - **Pre Main Issues Report (MIR) Evidence Base Gathering**

- Main Issues Report and draft Environmental Report consultation.
  - Prepare and Publish the Proposed Plan, alongside the Strategic Environmental Assessment and other impact assessments
  - Consider and respond to representations to the Plan
  - Submission of the Plan to Scottish Ministers
  - Examination
  - Adoption of the Local Development Plan, Environmental Report and Action Programme
  - Implementation, Monitoring and Review
- 3.4 The Evidence Gathering stage of the Local Development Plan process is vital in justifying the content and the policy stance in LDP2. In addition to research across all the topic areas in the LDP we undertake several audits annually:
- Housing Land Audit
  - Employment Land Audit
  - Open Space Audit
  - Minerals Audit
- 3.5 The Pre MIR and Evidence base gathering stage of Plan development is the most important stage in engaging with the community and stakeholders. The Development Plans team is in the process of developing a consultation strategy for the delivery of LDP2. This work builds on the participation statement as set out in the Development Plan Scheme. So far we have gathered a range of information/ evidence about possible methods of engagement and good practice as well as auditing the team's strengths, skills and weakness in this area. We have also begun meeting all relevant Council Services in order to identify skills and support throughout the Council in order to ensure maximum engagement with the Shetland community.
- 3.6 As a result of our successful work with Architecture and Design Scotland (A+DS) on the Knab visioning exercise the Development Plans team has been given the opportunity to be part of trialling the Place Standard for Scotland ToolKit. The purpose of the Place Standard is to [more effectively engage with communities and, hence, better] support the delivery of high quality places, to maximise the potential of the physical and social environment in supporting, health, wealth and wellbeing and a high quality of life. It is anticipated that this trial will form a key part of our Pre MIR consultation process which will in turn inform the MIR.
- 3.7 We expect to start the public engagement period in mid-Autumn, however exact timescales have not yet been set.
- 3.8 The Development Plans team has started to meet with other Council departments to discuss opportunities for joint working and the sharing of skills across services where particular specialist expertise exists. As part of this process a short term working group is being established to focus on the use of the Place Standard toolkit as a method of consultation.

## Local Development Plan Supplementary Guidance

- 3.9 The work on the completion and adoption of Supplementary Guidance documents associated with the adopted Local Development Plan continues. Details of the progress of each of these Documents are detailed in Appendix A.
- 3.10 In line with current national guidance, the Aquaculture policy SG and Works Licence Policy SG are no longer statutory SG and I have removed them from this list. Marine policy is now encapsulated in the adopted Shetland Islands Marine Spatial Plan SG (SIMSP SG), though there remain some areas of guidance in the two former draft SGs that will be continued as non-statutory guidance.

## **4.0 Implications**

### Strategic

- 4.1 Delivery on Corporate Priorities - The Shetland LDP will become the strategic tool for the Council's spatial development priorities. In conjunction with other Council policies it will contribute to meeting the spatial aims of the Community Plan and the Corporate Plan.
- 4.2 Community/Stakeholder Issues – The Consultation process required as part of the Local Development Plan process has been set out in the Development Plan Scheme. Community and Stakeholder engagement commences at the earliest stages of plan preparation and continues throughout the development of the plan.
- 4.3 Policy and/or Delegated Authority – In accordance with Section 2.3.1 of the Council's Scheme of Administration and Delegations, the Development Committee has delegated authority to implement decisions within its remit.

The LDP forms part of the Council's strategic policy framework as referred to in Section 3(2) of the Governance procedures.

- 4.4 Risk Management – An up to date LDP will ensure the Council can support developments that are in line with its priorities, and avoid challenges to Council decisions. The LDP has been formulated to reflect the Council's priorities.
- 4.5 Equalities, Health and Human Rights - The process to deliver the LDP includes addressing the Council's obligation to comply with equalities legislation and policies. As part of the plan making process the LDP content will be subject to an Equalities Impact Assessment.
- 4.6 Environmental – As part of the plan making process the LDP content will be subject to strategic environmental assessment (SEA). The Planning Authority is also subject to the over-arching requirement to exercise the function (of preparing development plans) with the objective of contributing to sustainable development imposed by The Planning etc. (Scotland) Act 2006.

## Resources

- 4.7 Financial – All costs relating to the Local Development Plan Process are met within existing budgets.
- 4.8 Legal – None.
- 4.9 Human Resources – Work undertaken as part of the Local Development Plan process will be undertaken by established staff. However, it is anticipated that the Development Plans and Heritage team will have staff vacancies shortly and this will reduce the team's capacity in the short term, placing additional pressure on existing staff. This will impact on the work programme but the priority remains adhering to the Development Plans Scheme for LDP2.
- 4.10 Assets and Property – None.

## **5.0 Conclusions**

- 5.1 The report highlights the work to produce the next up to date and fit for purpose Local Development Plan that meets statutory requirements, national policy and local priorities and aspirations.
- 5.2 Revisions to the list of SG are appropriate, in line with current guidance.

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4 June 2015

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## List of Appendices

Appendix A – The Supplementary Guidance List

Background documents:  
None.

END

**The Supplementary Guidance List**

Supplementary Guidance	Research and Development	1 <sup>st</sup> Draft of SG	Pre-Consultation	Pre-Consultation responses being considered and SG redrafted	Approved by Development Committee	Preparing for and undergoing re-Consultation	Consultation responses being considered and document redrafted	Sent to Scottish Government for Adoption	Adopted	Additional Information
Onshore Wind Energy Supplementary Guidance										
Placemaking Supplementary Guidance										
Local Landscape Area Supplementary Guidance										
Business and Industry Supplementary Guidance										
Flooding and Drainage Supplementary Guidance										
Minerals Supplementary Guidance										
Local Nature Conservation Sites Supplementary Guidance										
Shetland Marine Spatial Plan										
Natural Heritage Supplementary Guidance										
Historic Environment Supplementary Guidance										
Lerwick Town centre Supplementary Guidance										
Open Space Supplementary Guidance										
Developer Contributions SG										



**Development Committee****15 June 2015****Onshore Wind Energy Supplementary Guidance****Report No: DV-36-15-F****Report Presented by: Planning Officer****Development Services Department  
Planning Service****1.0 Summary**

- 1.1 The purpose of this report is to provide a brief summary of the supplementary guidance (SG) on Onshore Wind Energy developments. This document, if adopted by the Council, will provide policy context and guidance to developers proposing Onshore Wind Energy Developments. The document will form part of the Local Development Plan (LDP) and the wider planning application decision making process and therefore should be read in conjunction with the LDP and other relevant Supplementary Guidance documents.

**2.0 Decision Required**

- 2.1 That the Development Committee RECOMMEND to the Council that it resolve to adopt the SG Onshore Wind Energy (Appendix 2).

**3.0 Supplementary Guidance**

- 3.1 Supplementary Guidance expands upon existing policies and proposals and is used to support the content of the LDP. This provides more detail and guidance to the Council and others when considering the impacts of development on the environment and to the public and developers when they are formulating proposals for development.

**4.0 Onshore Wind Energy Supplementary Guidance**

- 4.1 In accordance with Policy RE1 in the Shetland Local Development Plan (LDP) and Scottish Planning Policy (SPP) SG has been produced for Onshore Wind Energy Development.

- 4.2 On 6 October 2014, the Development Committee approved the Draft Onshore Wind Energy SG subject to a period of public consultation (Min ref: 38/14).
- 4.3 A range of consultation responses were received from a total of 20 representees.
- 4.4 The redrafted SG at Appendix 2 has been prepared in line with the latest statement of SPP and as such contains the Spatial Framework for Onshore Wind Energy developments over 20MW in Shetland and a number of detailed policies relating to onshore wind energy development in accordance with paragraph 169 of SPP. These Policies will form the basis for development management decisions in relation to onshore wind energy proposals alongside the policies contained within the LDP and other relevant Supplementary Guidance documents. The document also contains a section directing developers to useful guidance and best practice.

## **5.0 Consultation**

- 5.1 This SG was the subject of a 10 week consultation period with the public and stakeholders.

A summary table of replies received during this consultation together with officer responses and recommended actions, is at Appendix 1.

All comments and suggestions have been considered and any necessary changes have been made during the final drafting of the document attached as Appendix 2.

## **6.0 Implications**

### Strategic

- 6.1 Delivery on Corporate Priorities – The Council strives towards achieving its aims and objectives in cooperation with other departmental and strategic plans, policies and strategies. The draft Onshore Wind Energy SG is well aligned to a number of Council Plans and strategies. These include the 2009 Renewable Energy Development in Shetland: Strategy and Action Plan, The Community Plan 2012-2020 and the Shetland Single Outcome Agreement (SOA) 2012-2015. In particular the following Local outcomes of the SOA:

We live and work in a renowned natural and built environment which is protected and cared for.

We deliver sustainable services and make sustainable decisions, which reduce harmful impacts on the environment



- 6.2 Community/Stakeholder Issues – Periods of stakeholder and public consultation have taken place on this document during the various draft preparation stages. Prior to the consultation draft being approved by the Council a period of pre-consultation was undertaken with all statutory stakeholders. This process of pre-consultation allowed us to produce a more comprehensive document with input from the key statutory agencies as well as other Council departments. This meant that many of the statutory consultees only had minor suggested amendments to the finalised document.

The draft SG was subject to a 10 week consultation period. All comments and suggestions have been considered and any necessary changes have been made during the final draft of the document attached as appendix 2.

- 6.3 Policy and/or Delegated Authority – In accordance with Section 2.3.1 of the Council's Scheme of Administration and Delegations, the Development Committee has delegated authority to implement decisions within its remit.

However, determining the overall goals, values and strategic framework, or matters of Policy, is reserved to the Council.

- 6.4 Risk Management – Failure to adopt this document could increase cost and time to both the applicant and Council when preparing and determining planning applications.

In order to be compliant with the requirements of SPP the Planning Authority must set out the Spatial Framework for Onshore Windfarm Development.

- 6.5 Equalities, Health and Human Rights – None.

- 6.6 Environmental – The Draft Onshore Wind Energy Supplementary Guidance will be subject to Strategic Environmental Assessment (SEA) as part of a wider SEA process on the suite of SG complementing the Shetland LDP.

The Planning Authority is also subject to the over-arching requirement to exercise the function (of preparing development plans, and thus, related SG) with the objective of contributing to sustainable development imposed by The Planning etc. (Scotland) Act 2006.

## Resources

- 6.7 Financial – There are no financial implications arising from this report..
- 6.8 Legal – None.

6.9 Human Resources – Development Plans and Heritage staff will carry out the ongoing work associated with the development of the SG on Onshore Wind Energy alongside other work relating to the Shetland LDP.

6.10 Assets and Property – None.

## **Conclusions**

7.1 Onshore Wind Energy Supplementary Guidance has been produced to provide the necessary detailed guidance referred to in LDP policy RE1–Renewable Energy in compliance with the latest statement of Scottish Planning Policy in order to provide policy and guidance for developers proposing onshore wind energy developments. This SG forms part of the Local Development Plan for Shetland.

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Date Cleared: 4 June 2015

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## List of Appendices

Appendix 1 – Table of responses to consultation on Supplementary Guidance  
Onshore Wind Energy

Appendix 2 – Supplementary Guidance Onshore Wind Energy

## Background Documents

None

END

Ref	Respondent & Date	Summary of Representations	Modification sought by those submitting the representations	Summary of responses (including reasons) by the Planning Authority	Conclusion/ Action
001	Kevin Serginson, SIC Outdoor Access Officer 24/11/2014	<p>For all the SG covers many elements of conservation and heritage I note that there is no reference to the effect that onshore wind energy developments can have on people's rights to use and enjoy outdoor access in Shetland as per the Land Reform (Scotland) Act 2003.</p> <p>People have rights to a large amount of open access as well as access via core paths, public rights of way and other formalised routes. One of Shetland's greatest assets is its countryside, for both residents and tourists alike. The development of onshore wind energy can adversely affect both the enjoyment of the countryside and in some cases the safety of the user.</p> <p>The Shetland Local Plan (2004) offered some guidance on protection of path users from potential nuisance via Policy LP ENG7(h):</p> <p><i>Aerogenerators are sited at least five times the diameter of the rotor blade away from a site boundary, public roads and well used footpaths.</i></p> <p>Whilst I acknowledge that the previous policy may not be suitable for inclusion in this SG, I would like to see some form of consideration and protection for both formal routes and open access rights.</p> <p>Central Bedfordshire Council have done in-depth research which has lead to the development of two documents: Working</p>	Consideration to be given to amending the draft SG to offer some protection for outdoor access in Shetland, preferably along the lines of the guidance offered in the above documents.	<p>The Planning Authority intends to rewrite Policy DC4 and reference Scottish Planning Policy paragraph 169 at the beginning of Section 2 of the document. Paragraph 169 sets out the considerations to be assessed in applications relating to wind energy developments. This will encompass recreation interests and outdoor access. Furthermore there will be a reference to recreation in Policy DC4.</p> <p>Given the timescales involved it is not currently possible to draft technical guidance with separation distances akin to the examples given in the representation. However, the recent Open Space Audit along with the core path plan and access strategy will now provide baseline data for the future development of guidance and or policy in this area for future updates of the document.</p>	<ol style="list-style-type: none"> <li>1. Relocate the reference to the SPP Key considerations from Policy DC4 to the start of the Development Criteria section and explain the connection between the development criteria and the considerations set out in SPP.</li> <li>2. Add reference to recreation and outdoor access to Policy DC4.</li> <li>3. Begin work with the Outdoor Access Officer on developing guidance on the protection of outdoor access with regards Onshore Wind Energy Developments.</li> </ol>

		<p>Practice Guidance Notes and Working Practice Technical Appendix.</p> <p><a href="http://www.centralbedfordshire.gov.uk/Images/Wind%20Farm%20WPGN%20Final%20%2016%2012%2013_tcm6-50191.pdf">http://www.centralbedfordshire.gov.uk/Images/Wind%20Farm%20WPGN%20Final%20%2016%2012%2013_tcm6-50191.pdf</a></p> <p>These documents provide guidance for the siting of wind turbines (large commercial and micro/small) in relation to Public Rights of Way and their effect on pedestrian and equestrian routes. They are possibly less restrictive in terms of prescribed distances from the wind turbine than the above 2004 policy and take in to account shadow flicker zones which can be particularly problematic for horses.</p> <p>Therefore, I would be grateful if consideration could be given to amending the draft SG to offer some protection for outdoor access in Shetland, preferably along the lines of the guidance offered in the above documents</p>			
002	Jonathan Swale on behalf of Scottish Natural heritage 26/11/2014	<p>We note that most of the points that we raised in response to an early draft of the Onshore Wind Energy guidance have been addressed, however we still feel that Table 1 (Wind energy development categories) would benefit from revision. At present it is not clear whether all the criteria listed against a category need to be met or only one. If all criteria must be met, then a development of four 30 metre high, 0.5MW turbines would not fit in any category, whilst if only one criterion need be met then a single 30 metre turbine would fit both “small” and “medium” definitions. We presume that the intention is that to qualify as a “Micro”, a development must meet all the criteria for that category, but for other categories it would not.</p>	<p>Change the wording in table 1 to the following:</p> <p>VERY LARGE - total capacity of 50MW or more</p> <p>LARGE - 8 or more turbines and/or turbines larger than 50 metres to hub and/or 80 metres to tip and/or total capacity between 20 and 50MW</p> <p>MEDIUM - 4 to 7 turbines with a hub height of 50 metres or less and/or total capacity over 5MW and up to 20MW</p> <p>SMALL - up to three turbines with hub</p>	The Planning Authority is content to make the changes suggested by SNH.	Amend table as per SNH advice.

			<p>height 15 to 50 metres</p> <p>and/or total capacity greater than 50kW and up to 5MW</p> <p>MICRO - up to three turbines with a hub height of 15 metres or less, rotor diameter 10.5 metres or less and total capacity of 50kW or less.</p>		
003	Neil Hutcheson on behalf of SIC Roads Service 26/11/2014	The Roads Service has no further comments to make regarding this section of the plan.	None sought.	The Planning Service thanks SIC Roads Service for taking the time to comment on the document.	None required.
004	Paul Harvey on behalf of Shetland Amenity Trust. 01/12/2014	<p>This guidance falls short in three key areas.</p> <p>1 It makes no effort to avoid development on active blanket bog. Given the way discussions over carbon storage and sequestration are moving forward at the moment both at a national and local level this seems a retrograde step. As well as their inherent conservation value (an European Priority Habitat), areas of active blanket bog provide important ecosystem services such as carbon storage and the regulation of water flow. It is likely that they will be of monetary value in the future in terms of carbon storage and sequestration etc. and as such a potential economic asset to Shetland. The SIC should be fully aware of this and therefore avoid committing wind farms to areas of active blanket bog. There is plenty of scope to locate wind-farms in Shetland without causing damage to active blanket bog. It is</p>	<p>1 Reference to be made regarding the avoidance of active blanket bog</p> <p>2 Key areas to be identified for especially protected bird species - those on Schedule 1 of the Wildlife &amp; Countryside Act, or Annex 1 of the E C Birds Directive – notably Red-throated Divers &amp; Whimbrel and Golden Plover &amp; Dunlin</p> <p>3. Clarification on the Councils position on the use of the Scottish Government carbon calculator.</p>	<p>1 The Planning Authority welcomes the work conducted by SNH on the mapping of carbon rich soils. However, we understand that the finalised mapping has not yet been published and as such do not feel it is appropriate to include the actual mapped data in this version of the guidance. We can make reference to the data in the document in order to inform developers of its existence. During the consultation on these maps the Planning Service raised concerns over whether the level of detail in terms of the quality of the mapped areas was sufficient to use in the group 2 mapping context. We would prefer to see these points addressed prior to using the data within the</p>	<p>1. Include a reference to the SNH peat maps and link to the current available data. Provide a clear explanation of what data has been included within the Areas of Significant Protection and justify the reasons for any data not being included as a departure from SPP.</p> <p>2. Make it clear in the introduction of the SG that all proposals must conform to all relevant Local Development Plan policies and the Policies</p>

		<p>ironic that the Scottish Government is offering funding to restore blanket bogs because of the ecosystem services they provide, yet at the same time the LA is not making efforts to avoid damaging intact, active blanket bog!</p> <p>2 It makes no effort to identify key areas for especially protected bird species – those on Schedule 1 of the Wildlife &amp; Countryside Act, or Annex 1 of the E C Birds Directive – notably Red-throated Divers &amp; Whimbrel and Golden Plover &amp; Dunlin. Given that Viking has planning consent it becomes imperative to look at the cumulative impacts should further wind-farms be proposed. It would make sense to target new developments away from key sites for protected birds – which we should not forget – are an asset to our tourist industry. Several of the LNCs are designated for such birds and these areas at least, should be highlighted in some form within the guidance as areas to be avoided.</p> <p>3 It refers to a carbon calculator. Is the SIC happy that this calculator is fit for purpose? It seems many commentators are not. Maybe there should be some acknowledgement of this.</p>		<p>guidance. It is the intention of the Planning authority to use this data when finalised in an updated version of this guidance.</p> <p>It should also be noted that the Planning Authority intend to make it clear that with regards to the National policy advice on Group 2 areas, only those where data was available at the time of publication were included. This will be reviewed and updated accordingly in future revisions of the document.</p> <p>2 Any application must conform to all relevant Local Development Plan policies and the policies contained within other relevant SG's. With regards to the issue raised in this representation the document 'Natural Heritage – Supplementary Guidance' provides policy NH2 relating to protected species. As with any development this policy would stand in the case of windfarm development. The Planning Authority accepts that this could be made more explicit at the beginning of the document. It would not be appropriate to identify areas on a map in this document. With regards the LNCS designations, these are local designations and as such cannot be included in Group 2. To include</p>	<p>contained within other Supplementary Guidance documents.</p>
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				<p>these areas on a further map at the scale contained within the document would render them illegible. The LNCS designations are contained within a their own Supplementary Guidance document and as previously stated all proposals must conform to all relevant Local Development Plan policies and the Policies contained within other Supplementary Guidance documents.</p> <p>3. At present the carbon calculator referenced in the document is the most current version developed by the Scottish Government. As such the Council will continue to reference this carbon calculator and direct developers to this tool.</p>	
005	Richard Cooper on behalf of SIC Environmental Health 02/12/2014	<p><u>Re Shetland Local Development Plan; Consultation Draft 2014 pages 20-21 'Noise Impacts'</u></p> <p>Could you insert the following paragraph:</p> <p>'In a situation where the background noise is expected to be louder than 33.6 dB(A) (daytime) and 29.6dB(A) (night-time) – for example, a busy road or aircraft noise etc the developer or agent should submit a full background noise survey / noise assessment'</p>	Paragraph to be inserted to draft noise procedure	<p>The Planning Authority accepts the amendment to be made to the noise procedure. Subsequent to the consultation ending the Planning Authority met with SIC Environmental Health and an updated procedure has been produced for inclusion in the document.</p>	Include updated procedure on noise assessment to the guidance section of the document.
006	Susanne Stevenson on	Scottish Water shares the Councils commitment to supporting renewable energy	Reference to be made to Scottish Waters requirements to protect	The Planning Authority welcomes the comments made by Scottish	1. Add the 3 transmitters referenced

	<p>Behalf of Scottish Water 03/12/2014</p>	<p>development where it can be demonstrated that there are no unacceptable impacts on the water environment. Scottish Water abstracts water from a number of sources on Shetland in order to supply public drinking water. These Drinking Water Protected Areas (DWPAs) require protection to avoid deterioration in their quality and to reduce the level of purification treatment required in the production of drinking water.</p> <p>Telemetry Assets in Operation Scottish water operates local telemetry links between several assets in Shetland. To ensure that there is no interference in their operation Scottish Water adopts Ofcom's advisory recommendation on the separation distance between wind energy systems and telemetry equipment; the tips of the turbine's propellers should be a minimum distance of 500m away from the transmitter. The co-ordinates of the transmitters in question are as follows:-</p> <p>Voe TWS – 441203, 1163318 Scar Quilse TWS – 441549, 1160168 Voe &amp; Vidlin SR – 439124, 1162274</p> <p>All three transmitters fall within Group 3: Areas with potential for wind farm development.</p> <p>Scottish Water also requests that the tips of the turbine's propellers should be at least 300m clear of the line of sight between the transmitters. The line of sight for the assets listed above travels from Voe TWS to Scar Quilse TWS and Scar TWS to Voe and Vidlin SR.</p>	<p>Telemetry Assets in operation.</p>	<p>water. It is the intention of the Planning Authority to include, where appropriate, other locally important safeguarding areas within a new Map 3 where the data exists. It is believed that the telemetry assets outlined above would fall in to this category. Reference can be made to the separation distances of 300m in Policy DC5 – Water sources.</p>	<p>in the representation to Map 3 as a local level safeguard with 500m buffer zone around each transmitter and a 300m wide line of sight corridor between each transmitter. 2. Reference the requirements set out by Scottish Water in Policy DC5</p>
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007	Jenny Sutherland on Behalf of RSPB 03/12/2014	The RSPB are generally supportive of the proposals in this supplementary guidance document.	None	The Planning Authority thanks RSPB for taking the time to comment on the draft supplementary guidance.	No Action.
008	Regional Archaeologist, Shetland Amenity Trust 16/12/2014	Policy DC7 is robust and I am content with it as it stands. Thank you. I am slightly confused about the mapping – map 2 allegedly shows areas of significant protection (which it does) and areas with potential for development (which it doesn't seem to).	None specified	<p>The Planning Authority welcomes the comments on DC7 and notes the confusion over Map 2. The mapping reflects the guidance for creating a spatial framework for wind farm development as set out in Scottish Planning Policy. Map 1 represents the Group 1 areas; these are areas where wind farms will not be acceptable. In Scottish Planning Policy the designations afforded this protection are National Parks and National Scenic Areas. Therefore in the Shetland context no windfarm development will take place within the National Scenic Area. Map 2 represents the Group 2 areas; these are areas of significant protection. In these areas wind farms may be appropriate in some circumstances. Further consideration will be required to demonstrate that any significant effects on the qualities of these areas can be substantially overcome by siting, design or other mitigation.</p> <p>Beyond groups 1 and 2, wind farms are likely to be acceptable, subject</p>	Amend Mapping to provide a further Map combining Group 1 and Group 2 areas along with, where possible, other local safeguarding with an impact on the potential for wind farm development.

				<p>to detailed consideration against identified policy criteria. These areas are termed Group 3 areas. The draft guidance did quote Map 2 as demonstrating these areas. However, in order to avoid confusion the Planning Authority will add a further map to the SG displaying the data from Maps 1 and 2 and where applicable other safeguarding areas out with the remit of groups 1 or 2 areas.</p> <p>It should also be noted that the Planning Authority wish to make it clear that with regards to the National policy advice on Group 2 areas, only those where data was available at the time of publication were included. This will be reviewed and updated accordingly in future revisions of the document.</p>	
009	Ewen Adamson Nordri Ltd. 30/12/2014	<p>The first comment is in relation to the term “sterilisation” which is used in the final paragraph on Page 4. This is a key word and it needs to be very carefully defined. It is also important to understand exactly how the Shetland Islands Council believes that the land is sterilised. Is this in relation to noise/light flicker etc. What size of zones will be sterilised? How does this relate to turbine size? In simple terms Nordri Ltd oppose the belief that the installation of a wind turbine will sterilise the surrounding ground. In our opinion</p>	<p>Remove reference to sterilisation of land in Areas of Best Fit and Sites with Development Potential.</p> <p>The calculation for noise impacts to be amended.</p>	<p>Both Areas of Best Fit and Sites with Development Potential are designations for residential and mixed use development within the adopted LDP and therefore can have a degree of weight attached to them as a material consideration. Where land does not have a particular designation attached it is not possible to preclude that area from other potential developments.</p>	<p>Include updated procedure on noise assessment to the guidance section of the document.</p>

		<p>a development can go ahead in close vicinity to one of our turbines, or indeed any turbine. The choice should be in the hands of the Developer. If they choose to construct a house which is only 75m from an existing KW6 turbine then this should be entirely within their rights. They are aware of the wind turbine – which was there first – and still want to proceed with the project. This would be similar to building a house close to a busy road; clearly there will be a significant amount of noise pollution from the road, but the Developer will have taken this into consideration from the outset. We totally agree that existing homes need to be protected from new turbines being installed too close, but if the turbine is there first then the only limiting factor should be preventing new developments from creating turbulent air which would reduce the production potential of the turbine</p> <p>The second comment is in relation to the section entitled <i>Noise Impacts</i> which is on Page 20 of this document. Nordri Ltd believe that there are mistakes in the calculation which is proposed, meaning that it does not make sense and is not what SIC Environmental Health wanted to achieve. It is very difficult to summarise the issues briefly, as the field of acoustic analysis is rather complex. Therefore we have gone through the calculation in detail in the supporting pages. This sets out where we feel it needs to be changed to make it fair for Developers and members of the public alike. The resulting equation is more sensitive and more appropriate, whilst still protecting the amenity</p>		<p>Each application will be assessed on its own merits on a case by case basis.</p> <p>The Development Criteria section of the SG seeks to provide the appropriate controls to ensure that wind energy development occur in the most appropriate locations.</p> <p>The Planning Authority notes the consultee's comments with regards noise impacts. Subsequent to the consultation ending The Planning Authority has met with SIC Environmental Health and an updated procedure has been produced for inclusion in the document. This has been produced by SIC Environmental Health as the statutory consultee for noise nuisance.</p>	
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		of nearby non-associated properties.			
010	Sandra Laurenson on behalf of Lerwick Port Authority 06/01/2015	No Comments to make. We would be pleased to discuss our response with you further should this be required.	None	The Planning Authority thanks the Lerwick Port Authority for taking the time to comment on the draft Supplementary Guidance.	None required.
011	WA and VK Ratter (Agri Partnership) 18/01/2015	I consider the proposed policy to be one which could be used to sterilise most of Shetland for future wind development. Given the failure to develop wind and tide technologies and offshore wind, mainly due to excessive cost (it would be interesting to see arguments as to how this state of affairs might change), onshore wind and nuclear are likely to continue to be the main sources of low carbon generative capacity. Shetland will continue to be an ideal place to site onshore wind. For the Council to decide simply to shut the door on development over most of the islands, and on top of that, to do it on the basis of out of date landscape data, would be truly shocking.	None specified.	The Planning Authority thanks the representees for taking the time to comment on the draft supplementary guidance. The draft supplementary guidance was developed in line with national policy requirements and as such is fully supportive of the development of onshore wind energy proposals. The document seeks to ensure that development of onshore wind energy proposals occurs in the most appropriate locations throughout Shetland. The document sets out areas where wind farms will not be acceptable (Group 1 areas) in line with Scottish Planning Policy. In the Shetland context that means within the National Scenic Areas, these are the only areas where developments over 20MW will not be permitted. This does not constitute a large scale sterilisation of Shetland for Wind Energy developments. The document also sets out areas which are afforded significant protection in line with the	None required.

				<p>requirements of Scottish Planning Policy. These include national and international designations as well as other nationally important mapped areas. In these areas wind energy developments over 20MW may be acceptable in some circumstances where it can be demonstrated that any significant effects on the qualities of these areas can be substantially overcome by siting, design, or other mitigation.</p> <p>The Planning Authority recognise the enormous potential for wind energy development in Shetland and the development criteria for wind energy development contained within section 2 of the document aim to enable wind energy developments in Shetland whilst ensuring other assets and interests are afforded an appropriate level of protection.</p>	
012	<p>Elaine Fotheringham, Planner on behalf of Sportscotland 19/01/2015</p>	<p>Previously commented on Policy RE1 during Proposed Plan Consultation. Recommended that outdoor sports and recreation interests are taken in to consideration in renewables development. We recommended that such reference be made in policy RE1.</p> <p>Having read the finalised version of RE1, and the new SPP 2014, which states at para. 169 that the factors that should be taken into</p>	<p>Amend the SG to take in to account the importance of tourism and recreation interests in assessing proposals for wind energy developments.</p>	<p>The Planning Authority welcomes the comments made by Sportscotland with regards the protection of recreation interests. With regards to Policy RE1, now formally adopted as part of the LDP, we responded:</p> <ul style="list-style-type: none"> <li>• <i>Policy RE1 does set out the range of factors which renewable energy</i></li> </ul>	<p>1. Relocate the reference to the SPP Key considerations from Policy DC4 to the start of the Development Criteria section and explain the connection between the development criteria and the considerations set out in SPP.</p>

		<p>account in decision making on all renewable energy generation developments include consideration of amenity and community interests; public access, including long distance routes and scenic routes; tourism and recreation, we are of the view that the SG could explain that these issues must be taken in to account alongside the other considerations set out. As the policy and SG stand at present, they do not explicitly state that long distance route, scenic routes and – of particular interest to Sportscotland – tourism and recreation interests, are to be taken into account in decision making.</p> <p>We consider it crucial that outdoor sport and recreation interests are taken into consideration in the development of policy for renewables development and we respectfully request that the Council amends the SG accordingly to take account of our comments.</p>		<p><i>developments must be compliant with. In addition any development must comply with all relevant Local Development Plan policies and supplementary Guidance Policies. We believe that the Policy covers the issue of tourism and recreation under the term 'benefits and disbenefits' for communities. The forthcoming Supplementary Guidance on Onshore Wind Farm development will provide further detailed guidance on what will be taken in to consideration when determining Onshore wind Energy developments.</i></p> <p>However, we note the recent changes in SPP 2014 with regard the factors to be taken in to consideration in assessing wind energy proposals. As such we intend to make reference to the factors set out in SPP 2014 at the beginning of section 2 – development criteria and explain the connection between the two.</p> <p>Furthermore, the Planning Authority intend to alter Policy DC4 to make reference to tourism and recreation interests within the</p>	<p>2. Add reference to tourism and recreation to Policy DC4.</p>
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				body of that policy.	
013	Alison Wilson on behalf of SEPA 28/01/2015	<p>1. General comments</p> <ul style="list-style-type: none"> <li>Contents page is out of sync with the layout of the document.</li> <li>The further guidance for developers section should be referenced in the contents.</li> </ul> <p>2. Context, Assessing Development Proposals and section 1 – Spatial Framework</p> <ul style="list-style-type: none"> <li>20MW threshold -</li> </ul> <p>2.1 We note that your current Local Development Plan states “Further detailed guidance on renewable developments is provided in Supplementary Guidance - Onshore Wind Energy which will contain the spatial framework for large scale wind energy developments of 20MW and above generating capacity” and that the last sentence under the justification Section on page 8 of the Supplementary Guidance (SG) states “The framework applies to wind energy proposals of 20MW and above.”</p> <ul style="list-style-type: none"> <li>2.2 In regard to this we would highlight that while paragraph 189 of Scottish Planning Policy (SPP), published in 2010, required Planning Authorities to “set out in the development plan a spatial framework for onshore wind farms of over 20 megawatts generating capacity. Authorities may incorporate wind farms of less than 20 megawatts generating capacity in their spatial framework if considered appropriate” paragraph 161 of the current SPP, published in 2014, states “Planning authorities should set out in the development plan a spatial</li> </ul>	<p>1. Adjust contents page to synchronise with the layout of the document.</p> <p>Reference this Further advice and Guidance for Developers section in the contents.</p> <p>2. Reconsider whether the 20MW threshold for application of the spatial framework is still relevant given changes to SPP advice on windfarm scale and amend the definition of large/medium accordingly.</p> <ul style="list-style-type: none"> <li>Include the data provided by SNH on carbon rich soils in line with the latest statement of SPP in Map 2.</li> <li>It may be useful to make it clear within the SG that the Areas of Significant Protection on Map 2 are those only where data was available, or if data was available but it was decided not to include this the justification, so it is clear that Map 2 does not include all the Areas of significant protection listed in this Section of SPP.</li> </ul> <p>3. Clearly state the planning status of the policies within the Supplementary Guidance document and consider renaming the section currently named ‘development criteria’.</p> <ul style="list-style-type: none"> <li>Amend Policy DC3 to remove repetitious statement on carbon</li> </ul>	<p>1. The Planning Authority will synchronise the contents page with the finalised document and include a reference to the Further Advice and Guidance for Developers section within the contents.</p> <p>2. With regards to the 20MW threshold the Planning Authority are of the view that the ‘hook’ policy within the adopted Local Development Plan states that the spatial framework applies to developments of 20 MW and above and as such the Planning Authority believe that this is still appropriate as the guidance has been developed relating to that scale. The latest guidance in SPP does not provide a detailed basis for moving away from the 20MW threshold and until such times as a clearer definition of what is to be considered as a windfarm is forthcoming the Planning authority will continue to apply the previous threshold of 20MW.</p> <p>The Planning Authority welcomes the work conducted by SNH on the mapping of carbon rich soils. However, we understand that the finalised mapping has not yet been published and as such do not feel it is appropriate to include the actual mapped data in this version</p>	<p>1. Adjust the contents page to synchronise with the layout of the final document.</p> <p>2. Include a reference to the SNH peat maps and link to the current available data.</p> <p>3. Provide a clear explanation of what data has been included within the Areas of Significant Protection and justify the reasons for any data not being included as a departure from SPP.</p> <p>4. Include explanatory text outlining the status of the policies contained within Section 2 of the document.</p> <p>5. Amend Policy DC3 to remove repetition with regards carbon calculation.</p> <p>6. Add a title prior to the paragraph beginning ‘<i>proposals for onshore wind development should show that.....</i>’ in Policy DC3.</p> <p>7. Remove the repetition of ‘in the’ in policy DC3.</p>

		<p>framework identifying those areas that are likely to be most appropriate for onshore wind farms as a guide for developers and communities, following the approach set out below in Table 1. Development plans should indicate the minimum scale of onshore wind development that their spatial framework is intended to apply to”, “For example, Loch Lomond and The Trossachs and Cairngorms National Parks refer to developments of more than one turbine and over 30 metres in height as large-scale commercial wind turbines.”</p> <ul style="list-style-type: none"> <li>• Taking into consideration the amended wording in SPP, removing the 20MW threshold, we recommend you take this opportunity to assess if the 20MW lower threshold for the spatial framework is an appropriate lower threshold taking into account the generating capacity scale of wind energy development in Shetland. You may consider it appropriate to set a lower threshold for the spatial framework and as such amend the definition of Large/Medium in Table.</li> <li>• We recently provided advice on the Supplementary Guidance - Onshore Wind Energy Screening Report under the Environmental Assessment (Scotland) Act 2005 and would take this opportunity to reiterate our advice that “Table 1 Spatial Framework of the new SPP affords carbon rich soils, deep peat and priority peatland habitat the same level of protection as wild</li> </ul>	<p>calculation.</p> <ul style="list-style-type: none"> <li>• Insert a title prior to the paragraph beginning <i>‘proposals for onshore wind development, should show that.....’</i></li> <li>• Amend the grammatical error in Paragraph 2 Line 4 of Policy DC3 by removing the repetition of ‘in the’.</li> <li>• Remove the reference to Scottish Planning Policy key considerations from Policy DC4 and relocate this to the beginning of the Development Criteria section.</li> <li>• Add the following additional wording to Policy DC5:</li> </ul> <p><i>‘Foundations, borrow pits and linear infrastructure such as roads, tracks and trenches can disrupt groundwater flow and impact upon these sensitive receptors. Mapping and subsequent avoidance of GWDTE in development proposals will avoid delay and expense to the developer both during the project and after construction. Detailed advice on the survey requirements is available from SEPA’s website.’</i></p> <ul style="list-style-type: none"> <li>• Add the following to Policy DC6:</li> </ul> <p>“including opportunities for re-powering” at the end of the second paragraph of the Justification Section.</p>	<p>of the guidance. We can make reference to the data in the document in order to inform developers of its existence. During the consultation on these maps the Planning Service raised concerns over whether the level of detail in terms of the quality of the mapped areas was sufficient to use in the group 2 mapping context. We would prefer to see these points addressed prior to using the data within the guidance. It is the intention of the Planning authority to use this data when finalised in an updated version of this guidance.</p> <p>The Planning Authority accepts the suggestion of providing clear explanation that the Areas of Significant Protection on Map 2 are those only where data was available, or if data was available but it was decided not to include this the justification, so it is clear that Map 2 does not include all the Areas of significant protection listed in this Section of SPP.</p> <p>3. The Planning Authority intends the Onshore Wind Energy Supplementary Guidance to be adopted as statutory Supplementary Guidance and as such the policies contained within the document will carry the same</p>	<p>8. Relocate the reference to the SPP Key considerations from Policy DC4 to the start of the Development Criteria section and explain the connection between the development criteria and the considerations set out in SPP.</p> <p>9. Add the following text to Policy DC5: <i>Foundations, borrow pits and linear infrastructure such as roads, tracks and trenches can disrupt groundwater flow and impact upon these sensitive receptors. Mapping and subsequent avoidance of GWDTE in development proposals will avoid delay and expense to the developer both during the project and after construction. Detailed advice on the survey requirements is available from SEPA’s website.’</i></p> <p>10. Add the following to Policy DC6: “including opportunities for re-powering” at the end of the second paragraph of the Justification Section.</p>
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		<p>land. To this end we understand that Scottish Natural Heritage (SNH) are undertaking a mapping exercise to define these areas. We are unclear of the nature or timescales for this mapping but consider that these will need to be used to inform any revisions to the Areas of Search within the Supplementary Guidance if timescales enable this. Further guidance on this should be sought from SNH.”</p> <ul style="list-style-type: none"> <li>• We understand that SNH have now finished their maps and they are currently with Scottish Ministers. We would strongly encourage you to liaise with SNH and ask for a draft copy and then use that information to populate these areas on Map 2. Peat is very important in Shetland and therefore it is important that it is included in this exercise.</li> <li>• Map 2 shows some of the bulleted National and international designations and Other nationally important mapped environmental interests in Table 1 of SPP under Group 2 but not all of them or the Community separation for consideration of visual impact. It may be useful to make it clear within the SG that the Areas of Significant Protection on Map 2 are those only where data was available, or if data was available but it was decided not to include this the justification, so it is clear that Map 2 does not include all the Areas of significant protection listed in this Section of SPP.</li> </ul>	<p>Make changes to the useful guidance link ensuring all hyperlinks are up to date and provide the most recent versions of guidance and information. Re-arrange the ordering of the useful guidance section to correlate with the order of the development criteria earlier in the document.</p>	<p>weight as those within the Local Development Plan once adopted. Additional text will be added to ensure that this is clear from the outset of the document. Policy DC3 will be amended to remove the repetition with regards carbon calculation. A title will be added prior to the paragraph beginning <i>‘proposals for onshore wind development, should show that.....’</i></p> <p>The Planning Authority will amend the grammatical error in Paragraph 2 Line 4 of Policy DC3 to remove the repetition of ‘in the’</p> <p>The Planning Authority will relocate the reference to the SPP Key considerations from Policy DC4 to the start of the Development Criteria section and explain the connection between the development criteria and the considerations set out in SPP.</p> <p>The Planning Authority welcomes the advice regarding GWDTE’s and accepts the suggested additional wording to be added to Policy DC5.</p> <p>The Planning Authority notes the current national emphasis on ensuring opportunities for re-powering are utilised and as such</p>	<p>11. Amend the further guidance section to ensure all links are up to date and to reflect the order of the development criteria within section 2.</p>
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		<p>3. Development Criteria</p> <ul style="list-style-type: none"> <li>Ambiguity over the planning status of the policies contained within the SG, the section should be renamed to make the status clearer.</li> <li>Policy DC3 Natural Heritage – There is repetition in the policy regarding peat development and carbon calculation it is recommended that the two paragraphs concerned are combined.</li> <li>Note the changes to Policy DC3 but feel that the paragraph beginning ‘proposals for onshore wind development should show that....’ would benefit from a title.</li> <li>Grammatical error in the fourth line of the second paragraph</li> <li>.</li> <li>Policy DC4 makes reference to SPP key considerations, these go beyond impacts on communities so it is felt that this reference should be removed and replaced elsewhere.</li> <li>Policy DC5 Water resources – would like to see this section expanded to include reference to avoiding impacts on existing groundwater abstractions. Suggested wording provided.</li> <li>Welcome the reference to Groundwater Dependant Terrestrial Ecosystems. However, SEPA wish to see this expanded upon in line with the issue being given more prominence in the Development Management process. Suggested wording provided.</li> <li>Policy DC6 decommissioning - SPP makes reference to re-powering. Although there is no current specific guidance on re-</li> </ul>		<p>we welcome the suggested amendment to be made to Policy DC6 to reference repowering.</p> <p>The Planning Authority Welcome the fact that SEPA is supportive of the useful guidance section and agree with the suggested changes to the ordering of the information. The Planning Authority will ensure all guidance is up to date and referenced correctly in line with SEPA’s advice.</p>	
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		<p>powering SEPA would welcome reference to it in the SG as an emerging issue. Suggested wording provided.</p> <p>4. Further advice and Guidance for Developers</p> <ul style="list-style-type: none"> <li>• Welcome the further advice and guidance section</li> <li>• A number of formatting issues in this section and suggested additions/alterations to guidance.</li> </ul>			
014	James Mackenzie on behalf of Sustainable Shetland 29/01/2015	<p>1. Development Criterion DC1 states: “Developers of large and medium proposals may be required to show that their proposal conforms to the guidance provided in the Landscape Sensitivity and Capacity Study for Wind Farm Development on The Shetland Islands (Land Use Consultants for SIC, 2009).” We consider the use of the word “may” not to be strong enough. This is of particular concern as the number of turbines proposed for the (consented) Viking Windfarm exceed by a large amount those recommended in that study for at least three visual compartments (West Kame, Mid Kame and Whiteness, and Central Mainland – East).</p> <p>2. The fact that another windfarm or group of windfarms equivalent to the size of the Viking one will be required to justify the proposed 600MW interconnector leads us to fear that overall the study will not be an effective tool to protect against inappropriate development. We welcome the statement in DC3 that: “Proposals for onshore wind development, should show that, individually or cumulatively,</p>	<p>Policy DC1</p> <p>Developers of large and medium proposals may be required to show that their proposal conforms to the guidance provided in the Landscape Sensitivity and Capacity Study for Wind Farm Development on The Shetland Islands (Land Use Consultants for SIC, 2009).”</p> <p>Reconsider the use of the word ‘may’.</p> <p>Policy DC3</p> <p>Given the importance of peatland (active blanket bog) for carbon sequestration and as a climate regulator (and that this is reflected in the current government funded Peatland Restoration Programme), and its fragility, e.g., susceptibility to peatslide, we would strongly recommend a presumption against commercial windfarm development in</p>	<p>Policy DC1</p> <p>The Planning authority will amend the wording from ‘may’ to ‘will’</p> <p>Policy DC3</p> <p>The Planning Authority welcomes the work conducted by SNH on the mapping of carbon rich soils. However, we understand that the finalised mapping has not yet been published and as such do not feel it is appropriate to include the actual mapped data in this version of the guidance. We can make reference to the data in the document in order to inform developers of its existence. During the consultation on these maps the Planning Service raised concerns over whether the level of detail in terms of the quality of the mapped areas was sufficient to use in the group 2 mapping context. We would prefer to see these points addressed prior</p>	<p>1. Amend the wording of Policy DC1 from ‘may’ to ‘will’</p> <p>2. Include a reference to the SNH peat maps and link to the current available data. Provide a clear explanation of what data has been included within the Areas of Significant Protection and justify the reasons for any data not being included as a departure from SPP.</p> <p>3. Make it clear in the introduction of the SG that all proposals must conform to all relevant Local Development Plan policies and the Policies contained within other</p>

	<p>they will not adversely affect the favourable conservation status of a species, or stop a recovering species from reaching favourable conservation status, at international, national or regional level.”</p> <p>3. Peat: Given the importance of peatland (active blanket bog) for carbon sequestration and as a climate regulator (and that this is reflected in the current government funded Peatland Restoration Programme), and its fragility, e.g., susceptibility to peatslide, we would strongly recommend a presumption against commercial windfarm development in such areas.</p> <p>4. It should be clarified whether or not the current government recommended carbon calculator is appropriate for “degraded” peatland, as was argued by Viking Energy in its Addendum in relation to the calculator then in use.</p> <p>5. DC4 Impacts on Communities: We would welcome more emphasis on health rather than visual amenity. We understand that ETSU-R-97 does not adequately deal with wind-turbine-generated infrasound, the effects of which a matter of concern. We are also concerned that given the geography and topography of Shetland, it will be difficult to maintain appropriate – and safe - distances between turbines and occupied dwellings. Moreover, we believe that there should be limitations to the proximity of large-scale</p>	<p>such areas.</p> <p>It should be clarified whether or not the current government recommended carbon calculator is appropriate for “degraded” peatland, as was argued by Viking Energy in its Addendum in relation to the calculator then in use.</p> <p>Policy DC4</p> <p>We would welcome more emphasis on health rather than visual amenity. We understand that ETSU-R-97 does not adequately deal with wind-turbine-generated infrasound, the effects of which a matter of concern.</p> <p>We are also concerned that given the geography and topography of Shetland, it will be difficult to maintain appropriate – and safe - distances between turbines and occupied dwellings. Moreover, we believe that there should be limitations to the proximity of large-scale turbines to occupied dwellings, because of potential health risks which, as yet, may not be fully understood.</p> <p>Map 2. We think there is insufficient detail; in addition to the above, the map could show where existing, proposed and consented wind farms are (so that cumulative impacts can be</p>	<p>to using the data within the guidance. It is the intention of the Planning authority to use this data when finalised in an updated version of this guidance. It should also be noted that the Planning Authority intend to make it clear that with regards to the National policy advice on Group 2 areas, only those where data was available at the time of publication were included. This will be reviewed and updated accordingly in future revisions of the document.</p> <p>In terms of the Carbon Calculator, at present the carbon calculator referenced in the document is the most current version developed by the Scottish Government. As such the Council will continue to reference this carbon calculator and direct developers to this tool.</p> <p>Policy DC4</p> <p>The Planning Authority intends to rewrite this policy in order to reflect the latest statement of Scottish Planning Policy. The Planning Authority will relocate the reference to the SPP Key considerations from Policy DC4 to the start of the Development Criteria section and explain the</p>	<p>Supplementary Guidance documents.</p> <p>4. Redraft Policy DC4 in line with issues raised in other representations and the latest statement of SPP.</p>
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	<p>turbines to occupied dwellings, because of potential health risks which, as yet, may not be fully understood.</p> <p>N.B. Scottish Government Planning Policy 2014 includes the following in Group 2: Areas of significant protection:: Community separation for consideration of visual impact: An area not exceeding 2km around cities, towns and villages identified on the local development plan with an identified settlement envelope or edge. The extent of the area will be determined by the planning authority based on landform and other features which restrict views out from the settlement.</p> <p>Map 2. We think there is insufficient detail; in addition to the above, the map could show where existing, proposed and consented wind farms are (so that cumulative impacts can be assessed), and airport exclusion zones. Inclusion of (proposed) Local Nature Conservation Sites would also be helpful. Or a third map could be included.</p> <p>We feel that in general the guidance is very much aimed at large scale (commercial) windfarm development dependent on an interconnector to the UK mainland, and that there should be a greater emphasis on small-scale community development that could be accommodated on a restructured local electricity distribution network. (This would to some extent accord with the</p>	<p>assessed), and airport exclusion zones. Inclusion of (proposed) Local Nature Conservation Sites would also be helpful. Or a third map could be included.</p> <p>We feel that in general the guidance is very much aimed at large scale (commercial) windfarm development dependent on an interconnector to the UK mainland, and that there should be a greater emphasis on small-scale community development that could be accommodated on a restructured local electricity distribution network. (This would to some extent accord with the recommendations of the landscape sensitivity study.)</p>	<p>connection between the development criteria and the considerations set out in SPP. In terms of the scope of the Policy it can only include relevant information which has a sound basis for recommendation. As such we have included a section on noise impacts, in conjunction with SIC Environmental Health detailing the procedure for noise assessment in relation to wind turbines. We also refer developers to best practice guidance and advice from statutory consultees.</p> <p>As mentioned above it should be noted that the Planning Authority intend to make it clear that with regards to the National policy advice on Group 2 areas, only those where data was available at the time of publication were included. This will be reviewed and updated accordingly in future revisions of the document. In the case of the 2 KM buffer zones to settlements, this has not been included because there are no defined settlement boundaries within the Local Development Plan due to the nature of the settlement pattern in Shetland. Both Areas of Best Fit and Sites with Development Potential are designations for residential and</p>	
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		<p>recommendations of the landscape sensitivity study.)</p> <p>We note the following in Scottish Government Planning Policy 2014: Other Renewable Electricity Generating Technologies and Storage 167. Development plans should identify areas capable of accommodating renewable electricity projects in addition to wind generation, including hydro-electricity generation related to river or tidal flows or energy storage projects of a range of scales. 168. Development plans should identify areas which are weakly connected or unconnected to the national electricity network and facilitate development of decentralised and mobile energy storage installations.</p> <p>N.B. Table 1 (wind energy development categories). Medium – should this not be “over 5MW” instead of “over 50KW”?</p> <p>Reference: <a href="http://www.scotland.gov.uk/Publications/2014/06/5823/6">http://www.scotland.gov.uk/Publications/2014/06/5823/6</a></p>		<p>mixed use development within the adopted LDP and therefore can have a degree of weight attached to them as a material consideration. Where land does not have a particular designation attached it is not possible to preclude that area from other potential developments. Therefore, this is acknowledged in the final paragraph of page 4. Each application will be assessed on its own merits on a case by case basis.</p> <p>The Development Criteria section of the SG seeks to provide the appropriate controls to ensure that wind energy developments occur in the most appropriate locations.</p> <p>With regards the LNCS/LLA designations, these are local designations and as such cannot be included in Group 2. To include these areas on a further map at the scale contained within the document would render them illegible. The LNCS/LLA designations are contained within their own Supplementary Guidance document and all proposals must conform to all relevant Local Development Plan policies and the Policies contained within other Supplementary Guidance documents.</p>	
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				<p>The Planning Authority intends to make this link more explicit at the beginning of the document.</p> <p>With reference to 'Other Renewable Electricity Generating Technology and Storage' it should be noted that this Supplementary Guidance document is attached to the recently adopted Local Development Plan 2014 in which its scope is defined within Policy LDPRE1. The Planning Service is currently embarking upon the development of the next Local Development Plan and will be engaging with the community in order to establish the Main Issues within Shetland to be addressed in the next Local Development Plan.</p>	
015	<p>Bernadette Barry on behalf of Peel energy 29/01/2015</p>	<p>Peel welcomes the overall positive tone contained within the document. Further clarity should be added to bullet 2 outlining the purpose of the SG in that it will provide criteria also for developments above between 20-50MW also.</p> <p>Policy LDPRE1 Peel supports the positive policy environment within this policy. The policy identifies a number of criteria that any development will be assessed against, in order to make this policy easier to read we would suggest that those criteria are listed below in bullet point format.</p>	<p>Amend Policy LDPRE1 by listing the development criteria in bullet points.</p> <p>Make it clear that the Spatial framework applies equally to 'very large scale' developments as well as 'large Scale' developments. Maps need to be at a better scale to ensure they are fully legible.</p> <p>Amend Policy DC1 to remove the reference to national statutory consultees.</p> <p>Page 11, Para 2; We suggest the</p>	<p>Policy LDPRE1 is part of the adopted Shetland local Development Plan and as such cannot be amended. The Planning Authority will note this comment for future policy writing.</p> <p>The Planning Authority will amend all relevant text to make it clear that the spatial framework applies equally to 'very large scale' developments as well as 'large Scale developments</p> <p>The Planning Authority will add a</p>	<p>Amend all relevant text to make it clear that the spatial framework applies equally to 'very large scale' developments as well as 'large Scale developments.</p> <p>Amend Mapping to provide a further Map combining Group 1 and Group 2 areas along with, where possible, other local safeguarding with an impact on the potential</p>

	<p>Classifying Wind Energy Developments</p> <p>Suggest amendments to table 1.</p> <p>Section 1 - Spatial framework Welcome the suggested approach to the spatial framework and the compliance with SPP. Should the spatial framework also apply to 'very large' scale developments as well as 'large' scale? Accompanying maps are illegible at the current scale. The scale of the maps makes it difficult to identify where the boundaries in respect of designations are delineated and where areas with more than one designation lie.</p> <p>Policy DC1 landscape and visual impact Suggest amendments to Page 11, Para 1 as the requirements from statutory consultees beyond those laid down in guidance and good practice should be capable of weighing in the planning balance and not defined as a strict requirement.</p> <p>Page 11, Para 2; suggested amendments</p> <p>Page 12, Paragraph 2; Due to the nature, timing and process of obtaining a grid connection, we would suggest removing the grid connection of this paragraph. It is likely that detailed information on the grid connection, such as to inform a Landscape and Visual impact Assessment, will not be available at the time of submitting a planning application. It is also likely to be, to a large degree outside the</p>	<p>following amends to this paragraph (additions shown in red):</p> <p>Developers of <b>very large</b>, large and medium proposals may be required to show that their proposal <del>conforms</del> <b>takes into account</b> the guidance provided in the Landscape Sensitivity and Capacity Study for Wind Farm Development on The Shetland Islands (Land Use Consultants for SIC, 2009) for each affected visual compartment <b>wherever possible</b>. , <del>and how it takes</del> <b>Proposals shall take</b> account of the described landscape sensitivities of each landscape character area <del>and against</del>, <b>site specific landscape and visual assessment and</b> other guidance produced by statutory bodies.</p> <p>Page 12, para 2; remove reference to grid connection.</p> <p>Policy DC3 – Natural heritage Clarification needed as to whether the 'Bird Protection Plan' could sit within the overarching Draft Habitat Management Plan or should be a standalone document.</p> <p>The Policy also needs clarification on where there is a requirement for the use of a carbon calculator and at what point the threshold for the use of this calculator exists.</p>	<p>further map to the SG displaying the data from Maps 1 and 2 and where applicable other safeguarding areas out with the remit of groups 1 or 2 areas. The Planning Authority will attach separate maps of the individual designations covered in Map 2 as appendices to the document to aid legibility of each.</p> <p>It should also be noted that the Planning Authority wish to make it clear that with regards to the National policy advice on Group 2 areas, only those where data was available at the time of publication were included. This will be reviewed and updated accordingly in future revisions of the document.</p> <p>The Planning Authority does not believe it is necessary to remove the reference to national statutory consultees as none of the national statutory consultees have requested this reference be removed.</p> <p>With regards the suggested amendments in page 11, para 2 the Planning Authority are of the view that proposals should conform to the Landscape Sensitivity and Capacity Study for Wind Farm</p>	<p>for wind farm development. Add Maps of individual designations as appendices to the document.</p> <p>Policy DC1 Amend Page 11 Para 2 to reference 'very large scale' developments and make the following amendment : Proposals shall take account of the described landscape sensitivities of each landscape character area site specific landscape and visual assessment and other guidance produced by statutory bodies.</p> <p>Page 12, para 2; remove reference to grid connection.</p> <p>Policy DC3 – Amend policy to make it clear that the 'Bird Protection Plan' can be embedded within the 'Draft Habitat Management Plan'.</p> <p>Amend the Policy to relate back to the Spatial Framework relating to scale and threshold.</p>
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		<p>control of the Applicant.</p> <p>Policy DC2 – Cumulative Impacts Welcome the approach set out in this policy in respect of cumulative assessment of wind farm developments.</p> <p>Policy DC3 – Natural heritage Welcome the contents of this policy and the protection afforded to the natural environment. Clarification needed as to whether the ‘Bird Protection Plan’ could sit within the overarching Draft Habitat Management Plan or should be a standalone document. The Policy also needs clarification on where there is a requirement for the use of a carbon calculator and at what point the threshold for the use of this calculator exists.</p> <p>Policy DC4 –Impacts upon communities Identifies a number of impacts that any development should assess, in order to make this policy easier to read we would suggest those criteria are listed in bullet point format and incorporated within the actual policy rather than the justification.</p> <p>Policy DC5 – Water Resources It is acknowledged that the policy states a presumption against development which might have a significant adverse impact upon GWDTE’s. It is requested that the policy acknowledges that satisfactory mitigation is possible by the implementation of bespoke mitigation measures as per SEPA Guidance note</p>	<p>Policy DC4 –Impacts upon communities Identifies a number of impacts that any development should assess, in order to make this policy easier to read we would suggest those criteria are listed in bullet point format and incorporated within the actual policy rather than the justification</p> <p>Policy DC5 – Water Resources It is requested that the policy acknowledges that satisfactory mitigation is possible by the implementation of bespoke mitigation measures as per SEPA Guidance note 31 Guidance on Assessing the Impacts of Development Proposals on Groundwater Abstractions and Groundwater Dependant Terrestrial Ecosystems (October 2014).</p> <p>Policy DC6 – Decommissioning Presently it is current practice within the wind farm development industry to remove all above ground turbine infrastructure and to leave cables and foundations over 1m below ground in situ when a wind farm is being decommissioned. It is also normal for some tracks to be retained where they can assist in future access and use of the land. We request that the wording in this policy is amended to reflect this current industry position.</p>	<p>Development on The Shetland Islands (Land Use Consultants for SIC, 2009). However the Planning Authority welcomes the amendment:</p> <p><b>Proposals shall take</b> account of the described landscape sensitivities of each landscape character area <del>and</del> <b>against, site specific landscape and visual assessment and</b> other guidance produced by statutory bodies.</p> <p>This will be amended accordingly along with the addition of ‘very large scale’.</p> <p>Page 12, para 2; Due to the most recent statement of SPP on wind energy development stating that grid capacity should not be a factor to constrain areas for windfarm development the Planning Authority believes it is acceptable to remove the reference to grid connection in this policy.</p> <p>Policy DC3 – Natural Heritage The Planning Authority intends that the requirement for a ‘bird protection plan’ is met within the ‘Draft Habitat Management Plan’. The policy will be updated to reflect this.</p>	<p>Policy DC4 – Relocate the reference to the SPP Key considerations from Policy DC4 to the start of the Development Criteria section and explain the connection between the development criteria and the considerations set out in SPP.</p> <p>Amend Policy DC6 – Decommissioning so that reference to information and guidance on best practice from statutory consultees moved from the justification section in to the body of the policy itself.</p>
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				<p>information and guidance on best practice from statutory consultees. However, it is anticipated that this reference can be moved from the justification section in to the body of the policy itself.</p> <p>Community Benefit – The subject of Community Benefit is Council wide and not confined to the remit of Planning. As such Shetland Islands Council is currently developing a Council wide Community Benefit Policy. The policy will be applicable across the Council and will therefore be a corporate policy as opposed to planning policy. When the Policy is finalised it may be appropriate to reference it within future revisions of the onshore wind energy SG.</p>	
016	Alison Foyle, Clerk Delting Community Council 29/01/2015	Members would like to see a Shetland policy regarding wind turbines. This could include how many turbines are allowed to be in an area, the maximum size of the turbines and how close they are allowed to be to the roads. The policy would prevent everyone putting up wind turbines and everyone would have clear guideline.	Creation of a Shetland wide policy detailing how many turbines are allowed to be in an area, including the maximum size and proximity to the road.	The draft onshore wind energy SG has been developed in line with the requirements of national policy set out in Scottish Planning Policy. The document is underpinned by, and references, the 'Landscape Sensitivity and Capacity for Wind Farm Development on The Shetland Islands' prepared for Shetland Islands Council by Land Use Consultants in 2009. This study splits Shetland in to areas and provides indicative landscape capacities for wind farm development, alongside providing	No direct action in relation to the redrafting of the SG.

				<p>landscape related guidance for wind farm developments of differing size and scale. The policies within the SG have been formulated using this information and following the requirements of national policy and the policies contained within the Shetland Local Development Plan 2014.</p> <p>Each application is assessed through the development management process on its individual merits and considered against all policies within the Local Development Plan and associated supplementary guidance considering the full range of environmental, community and cumulative impacts as set out in Scottish Planning Policy 169.</p>	
017	Alan Farningham, Farningham Planning Ltd 30/01/2015	<p>I note that in relation to Spatial Policy 3 – Group 3: Areas with Potential for Windfarm Development on Page 8 of the guidance, there is a reference to such areas being on Map 2.</p> <p>Map 2 on Page 10 simply relates to Areas of Significant Protection.</p> <p>My question is, is Map 2 incorrect and should it also show Areas with Potential for Windfarm Development or should there be a Map 3?</p>	Clarification of mapping.	<p>The mapping reflects the guidance for creating a spatial framework for wind farm development as set out in Scottish Planning Policy. Map 1 represents the Group 1 areas; these are areas where wind farms will not be acceptable. In Scottish Planning Policy the designations afforded this protection are National Parks and National Scenic Areas. Therefore in the Shetland context no windfarm development will take place within</p>	Amend Mapping to provide a further Map combining Group 1 and Group 2 areas along with, where possible, other local safeguarding with an impact on the potential for wind farm development.

				<p>the National Scenic Area.</p> <p>Map 2 represents the Group 2 areas; these are areas of significant protection. In these areas wind farms may be appropriate in some circumstances. Further consideration will be required to demonstrate that any significant effects on the qualities of these areas can be substantially overcome by siting, design or other mitigation.</p> <p>Beyond groups 1 and 2, wind farms are likely to be acceptable, subject to detailed consideration against identified policy criteria. These areas are termed Group 3 areas. The draft guidance did quote Map 2 as demonstrating these areas. However, in order to avoid confusion the Planning Authority will add a further map to the SG displaying the data from Maps 1 and 2 and where applicable other safeguarding areas out with the remit of groups 1 or 2 areas.</p> <p>It should also be noted that the Planning Authority wish to make it clear that with regards to the National policy advice on Group 2 areas, only those where data was available at the time of publication were included. This will be reviewed and updated accordingly</p>	
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				in future revisions of the document.	
018	Alan Farningham on behalf of Shetland Leasing and Property Developments Ltd. 30/01/2015	<p>I note that in relation to Spatial Policy 3 – Group 3: ‘Areas with Potential for Wind Farm Development’ on Page 8 of the guidance, there is a reference to such areas being on Map 2.</p> <p>However, on reviewing Map 2, it simply relates to ‘Areas of Significant Protection’ and is silent on those areas considered to have potential for wind farm development.</p> <p>In very simple terms, such an omission leads the reader to conclude that this is either an error or that all of Shetland outwith the ‘National Scenic Areas’ delineated on Map 1 and the ‘Areas of Significant Protection’ delineated on Map 2, is in principle, suitable for wind farm development subject to meeting the appropriate policy criteria.</p> <p><b>Page 38, Paragraph 161 of Scottish Planning Policy (SPP) June 2014</b> states that “<i><b>Planning Authorities should set out in the development plan a spatial framework identifying those areas that are likely to be most appropriate for onshore wind farms as a guide for developers and communities</b></i>” following the approach set out in Table 1 on Page 39.</p> <p>In this regard, Shetland Islands Council’s guidance follows the direction of the SPP in setting out the necessary spatial framework hierarchy in tabular form but critically, does not specifically identify those areas with potential for wind farm development graphically on a</p>	Clarification of mapping with regards the spatial framework.	<p>The mapping reflects the guidance for creating a spatial framework for wind farm development as set out in Scottish Planning Policy.</p> <p>Map 1 represents the Group 1 areas; these are areas where wind farms will not be acceptable. In Scottish Planning Policy the designations afforded this protection are National Parks and National Scenic Areas. Therefore in the Shetland context no windfarm development will take place within the National Scenic Area.</p> <p>Map 2 represents the Group 2 areas; these are areas of significant protection. In these areas wind farms may be appropriate in some circumstances. Further consideration will be required to demonstrate that any significant effects on the qualities of these areas can be substantially overcome by siting, design or other mitigation.</p> <p>Beyond groups 1 and 2, wind farms are likely to be acceptable, subject to detailed consideration against identified policy criteria. These areas are termed Group 3 areas. The draft guidance did quote Map 2 as demonstrating these areas. However, in order to avoid</p>	Amend Mapping to provide a further Map combining Group 1 and Group 2 areas along with, where possible, other local safeguarding with an impact on the potential for wind farm development.

		<p>map.</p> <p>This is considered to be a significant flaw in the document's composition which makes it non-compliant with the SPP on such matters.</p> <p>Experience of other Supplementary Guidance documents throughout Scotland in respect of onshore wind, provide for areas with potential for wind farm development as "Areas of Search", where the principle of wind farm development is acceptable subject to meeting the appropriate policy criteria.</p> <p>In clearly identifying areas that may be suitable in principle for wind farm development on a map, this not only provides direction for developers, but also affords land and property owners the opportunity of making comment on the appropriateness or otherwise of the suggested areas that may have wind development potential.</p> <p>The Council's Supplementary Guidance as currently presented does not afford this opportunity.</p> <p>Given my clients' land and property interests at Scatsta Airport, where wind farm development located nearby could have serious implications in respect of its operational requirements, I would wish to reserve their position on the Guidance until such time as the position regarding those areas on Shetland considered most appropriate for on-shore wind farm is more clearly defined, as required by the SPP.</p>		<p>confusion the Planning Authority will add a further map to the SG displaying the data from Maps 1 and 2 and where applicable other safeguarding areas out with the remit of groups 1 or 2 areas. This will include airport safeguarding.</p> <p>It should also be noted that the Planning Authority wish to make it clear that with regards to the National policy advice on Group 2 areas, only those where data was available at the time of publication were included. This will be reviewed and updated accordingly in future revisions of the document.</p>	
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019	Shirley Leslie, Clerk Dunrossness Community 30/01/2015	<p>We are happy to support the development of onshore wind energy developments where appropriate controls are in place.</p> <p>Keen to encourage housing development to support community. The LDP currently has a limited number of identified Sites with Development Potential and no Areas of Best Fit within Dunrossness.</p> <p>The SG states that 'The Local Development Plan identifies areas for residential and mixed use development known as Areas of Best Fit and Sites with Development Potential. Any potential sterilisation of these areas will be a material consideration in the determination of wind energy applications.'</p> <p>Given the lack of development sites identified in our area, we feel this should be a 'material consideration' for all applications. In particular, where this application is not linked to a housing development or it is undertaken by a private developer or agent, whatever scale of the proposed wind energy development.</p> <p>We would not wish to see the sterilisation of areas with housing development potential by inappropriate wind energy development.</p>	Reference to be made to sterilisation of land out with Areas of Best Fit and Sites With Development Potential being a material consideration.	<p>The Sites with Development Potential identified within the Local Development Plan are the result of a developer led 'Call for Sites' process.</p> <p>The Areas of Best Fit (AoBF) have been identified to provide a focus for growth within and adjacent to the largest community in each locality and the large islands in Shetland, whilst recognising the dispersed settlement pattern of Shetland. This being the case Sandwick is designated as the Area of Best Fit for the South mainland locality.</p> <p>Both Areas of Best Fit and Sites with Development Potential are designations within the adopted LDP and therefore can have a degree of weight attached to them as a material consideration. Where land does not have a particular designation attached it is not possible to preclude that area from other potential developments. Each application will be assessed on its own merits on a case by case basis.</p> <p>The Development Criteria section of the SG seeks to provide the appropriate controls to ensure that wind energy development occur in</p>	No direct action with regards the redrafting of the SG.
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				the most appropriate locations.	
020	Jones Lang LaSalle Ltd on behalf of Energy Isles Ltd 30/01/2015	<p>1. It is noted that the document is provided as draft Supplementary Guidance, which it is assumed will be adopted as part of the statutory Development Plan. The potential status of the consultation document is not set out within the document and it is recommended for contextual purposes that this is addressed. However, should it be the intention of Shetland Island Council (SIC) to produce this document outwith the Development Plan, then we recommend that the document should be entitled Supplementary Planning Guidance Onshore Wind Energy.</p> <p>Under the heading 'Local Development Plan Policy' the requirement for developers to consult the Local Development Plan to ensure compliance with the relevant policies of the plan is set out. However Policy LDP RE 1 'Renewable Energy', as quoted within the draft SG, does not reflect the adopted wording of the policy as published within the adopted Local Development Plan. This requires to be addressed prior to the draft SG being adopted. It is also recommended that the context to Policy LDP RE 1 'Renewable Energy', contained on page 49 of the LDP, is summarised within the draft SG for background purposes. The importance of renewable energy development to carbon reduction targets; national, UK and European renewable energy targets; and the economy of Shetland is significant and the draft SG would benefit from some context in this regard.</p>	<p>1. The potential status of the consultation document is not set out within the document and it is recommended for contextual purposes that this is addressed. Policy LDP RE 1 'Renewable Energy', as quoted within the draft SG, does not reflect the adopted wording of the policy as published within the adopted Local Development Plan. This requires to be addressed prior to the draft SG being adopted</p> <p>2. The definition column describes the scale of what wind farms will fall into each category. However, to make it absolutely clear that a development would have to meet one of the bulleted requirements and not all, it is recommended that the word 'or' is placed after each bullet point. For wind farms all within the medium category, it is questioned whether the first bullet point stating over 50KW and up to 20MW in capacity is correct. Read in the context of the 'small' category, should the term '50KW' actually be 5MW?</p> <p>3. Section 3 of the consultation document sets out the spatial framework for wind energy development. The introductory text to the spatial framework identifies that it applies to wind energy development at 20 MW or above. This is inconsistent</p>	<p>1. The Planning Authority intends the Onshore Wind Energy Supplementary Guidance to be adopted as statutory Supplementary Guidance and as such the policies contained within the document will carry the same weight as those within the Local Development Plan once adopted. Additional text will be added to ensure that this is clear from the outset of the document. The Planning Authority will amend the Policy LDPRE1 to reflect the wording in the adopted LDP.</p> <p>2. The Planning Authority notes the comments regarding table 1. This table will be altered in respective of these comments and the comments made in representation 002. It is the intention of the Planning Authority to make the changes in accordance with the advice provided by SNH on the matter. With regards the term relevant policies, this term denotes any LDP and/or supplementary guidance policy to the proposal in hand. Each application is assessed on its own merits. It is recognised that this needs clarification and standardisation.</p> <p>3. The Planning Authority notes the</p>	<p>1. Include explanatory text outlining the status of the policies contained within Section 2 of the document. Alter the text in Policy LDPRE1 to ensure it reflects the adopted policy in the LDP verbatim.</p> <p>2. Amend Table 1 as per SNH advice. Alter the relevant policies column to ensure clarity on the use of LDP and Supplementary Guidance policies.</p> <p>3. Amend the text relating to context to make it explicit the scope of the spatial framework and the use of the document as a whole.</p> <p>4. Amend Policy DC1 in line with the amendment as suggested in representation 015.</p> <p>5. Amend Policy DC3 to remove repetitious statement.</p>

		<p>2. Wind Energy Development Categories Table 1 within the consultation document sets out a number of categories for wind energy development, including wind farms categorised as being 'very large', 'large', 'medium', 'small' and those that are of a 'micro generation' nature. The definition column describes the scale of what wind farms will fall into each category. However, to make it absolutely clear that a development would have to meet one of the bulleted requirements and not all, it is recommended that the word 'or' is placed after each bullet point. For wind farms all within the medium category, it is questioned whether the first bullet point stating over 50KW and up to 20MW in capacity is correct. Read in the context of the 'small' category, should the term '50KW' actually be 5MW?</p> <p>Under the column 'Relevant Policies', it is recognised that developments over 50MW in capacity are assessed by the Scottish Government's Energy Consents and Deployment Unit in accordance with Section 36 of the Electricity Act 1989. Within this category it should also be recognised that extensions to generating stations that would take the combined capacity over 50MW or extensions to schemes currently over 50MW will also be considered under Section 36 of the Electricity Act 1989. As SIC would be a statutory consultee for applications submitted under The Electricity Act, it is also recommended that SIC refer to the 'Relevant Policies' of the Development Plan with which they would use to inform the</p>	<p>with the 'Context' section on page 3 of the draft SG and we recommend this inconsistency is addressed prior to adoption.</p> <p>4. Policy DC 1 Landscape and Visual Impact: LVIA assessments should not be required by policy to be undertaken in accordance with the advice of a statutory consultee – there may be local circumstances that result in unique considerations for certain development proposals that would not allow such assessments to be undertaken in accordance with the advice of statutory consultees. The policy also references the 'Landscape Sensitivity and Capacity Study for Wind Farm Development on the Shetland Islands 2009', which is now dated owing to the passage of time and the consented Viking Wind Farm, which now requires to be taken into account as part of the landscape baseline. The vintage of this capacity study should be expressly recognised within the draft SG and policy DC 1 should be amended requiring developers to 'have regard' to the assessment but not to require developers to demonstrate compliance with it.</p> <p>5. Policy DC3 'Natural Heritage': This policy presumes against development that would adversely affect the</p>	<p>confusion over the context of the document and will amend the text relating to context to make it explicit the scope of the spatial framework and the use of the document as a whole.</p> <p>4. With regards Policy DC1 and the reference to statutory consultees the Planning Authority has received significant input from statutory consultees on the drafting of this Policy. the Planning Authority are of the view that proposals should conform to the Landscape Sensitivity and Capacity Study for Wind Farm Development on The Shetland Islands (Land Use Consultants for SIC, 2009). However the Planning Authority will be amending the Policy thus with reference to suggestions made in representation 015:</p> <p><i>Proposals shall take account of the described landscape sensitivities of each landscape character area, site specific landscape and visual assessment and other guidance produced by statutory bodies.</i></p> <p>5. Policy DC3 – The Planning Authority believe the current wording of the Policy is robust and, as with all other policies, have received significant input from</p>	
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	<p>consultation response to the Scottish Government. In addition, the column relevant policies provides very little reference to the policies with which developments belonging to each wind farm categorisation will be assessed. As the Local Development Plan is now adopted it is recommended that this particular column is clear in setting out the policies with which renewables development proposals are likely to be assessed against. This would add significant greater clarity to the Supplementary Guidance document.</p> <p><b>Section 1 – Spatial Framework</b> Section 3 of the consultation document sets out the spatial framework for wind energy development. The introductory text to the spatial framework identifies that it applies to wind energy development at 20 MW or above. This is inconsistent with the 'Context' section on page 3 of the draft SG and we recommend this inconsistency is addressed prior to adoption.</p> <p>The Landscape Sensitivity and Capacity Study for Wind Farm Development on the Shetland Islands is referred to a number of times within the draft SG, including within the draft SG policies, and it provides conclusions, among other matters, relating to potential landscape capacity for wind energy development within Shetland. It is an important point that this sensitivity and capacity study does not consider the landscape capacity of Shetland from the consented position of Viking Wind Farm forming part of the renewable energy baseline.</p> <p>3</p>	<p>favourable conservation status of any species. This policy test is over onerous when applied to any species. This policy test should be made more relevant to the corresponding tests under the Habitats Regulations. Additionally, the 'justification' section of the policy replicates the above policy test and should also be amended accordingly;</p> <p>Policy DC6 – Decommissioning</p> <p>It is recommended that the policy simply requires an outline decommissioning statement to be submitted.</p> <p>Under the 'justification' section of this policy, the average lifetime of wind farms is referred to as 25 years, noting that consent would normally be granted for this timeframe. It is now usual for wind farm consents to be granted for 27 – 30 years. There are numerous appeal examples of this and it is recommended that the policy recognises this alternative timeframe;</p> <p>6. Policy DC7 Historic Environment - Paragraph 157 of SPP requires positive change to be enabled in the historic environment and requires developments to 'avoid or minimise' adverse effects. The policy should be amended in line with this policy test.</p>	<p>statutory consultees. The Planning Authority notes the repetition in the justification section and will remove this.</p> <p>5. Policy DC6 – Decommissioning</p> <p>The Planning Authority will continue to steer developers towards the information and guidance on best practice from statutory consultees. However, the reference to best practice will be moved from the justification section in to the body of the policy itself. As such we are content with requirement in the Policy as it stands.</p> <p>With regards to the reference to the timeframe of consent, this statement is contained within the justification of the policy. The justification states that this is typical however; each case will be decided on its merits. Therefore, it is not deemed necessary to alter the policy.</p> <p>6. Policy DC7 – Historic Environment</p> <p>This Policy has been drafted with input from the Shetland Islands Archaeologist and the Planning authority believes that it is a fair</p>	
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		<p>Clearly, the Viking Wind Farm will have an influence on the landscape of Shetland and conclusions relating to landscape capacity with the presence of the Viking Wind Farm may be very different to those without its presence within the assessed baseline. The Spatial Strategy as a whole does not seek to address this point whatsoever. As set out in the representation to the draft LLAs SG, we also have significant concern regarding the methodology and selection process that was used to identify the proposed LLAs.</p> <p><b>Section 2 – Development Criteria</b>  This section of the LDP sets out “<i>detailed local policies that will form the basis of the decision making process for proposed onshore wind energy developments</i>”. While the purpose of this part of the draft SG is legitimate in principle, in terms of the role and scope of SG, all policy statements must be consistent with the adopted LDP for this section to comply with Regulations. On this basis, we have concern with the following parts of this section, where the policy position expressed is more onerous than the corresponding policy position within the adopted LDP:</p> <p>Policy DC 1 Landscape and Visual Impact: LVIA assessments should not be required by policy to be undertaken in accordance with the advice of a statutory consultee – there may be local circumstances that result in unique considerations for certain development proposals that would not allow such</p>		<p>representation of the need to protect the historic environment whilst ensuring development that is sensitive to its surroundings. This policy provides developers with details of the requirements expected to accompany their application and seeks to ensure that proposals do not adversely affect the historic environment of Shetland.</p>	
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		<p>assessments to be undertaken in accordance with the advice of statutory consultees. The policy also references the 'Landscape Sensitivity and Capacity Study for Wind Farm Development on the Shetland Islands 2009', which is now dated owing to the passage of time and the consented Viking Wind Farm, which now requires to be taken into account as part of the landscape baseline. The vintage of this capacity study should be expressly recognised within the draft SG and policy DC 1 should be amended requiring developers to 'have regard' to the assessment but not to require developers to demonstrate compliance with it. In addition, on the 5 December, the Scottish Government published 'Onshore Wind – some questions answered', which is not policy advice but guidance on policy matters contained within SPP. In terms of landscape capacity studies the document is clear, suggesting that Planning Authorities may wish to update their assessments to address acceptable levels of change within landscape areas. This is not addressed within the current spatial framework, its supporting assessments or within the draft Local Landscape Areas SG.</p> <p>Policy DC 3 'Natural Heritage': This policy presumes against development that would adversely affect the favourable conservation status of any species. This policy test is over onerous when applied to any species. This policy test should be made more relevant to the corresponding tests under the Habitats Regulations. Additionally, the 'justification' section of the policy replicates the</p>			
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		<p>above policy test and should also be amended accordingly;</p> <p>Policy DC 6 'Decommissioning': This policy requires wind energy development proposals to be accompanied by a decommissioning statement detailing the decommissioning process. It is normal practice for an outline decommissioning statement to be included with an application for consent for on shore wind energy development or the requirement for such a statement to be secured by a condition of planning permission. It would be very unusual to request a detailed decommissioning statement at the application stage, as legislation and policy that applies to decommissioning could change significantly over the lifetime of the development. It is recommended that the policy simply requires an outline decommissioning statement to be submitted. Under the 'justification' section of this policy, the average lifetime of wind farms is referred to as 25 years, noting that consent would normally be granted for this timeframe. It is now usual for wind farm consents to be granted for 27 – 30 years. There are numerous appeal examples of this and it is recommended that the policy recognises this alternative timeframe; and</p> <p>Policy DC 7 'Historic Environment': This policy presumes against development that would have any adverse effect on the historic environment. This policy test sets too high a bar for development proposals to meet and is not supported by SPP. Paragraph 157 of SPP</p>			
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		requires positive change to be enabled in the historic environment and requires developments to 'avoid or minimise' adverse effects. The policy should be amended in line with this policy test.			
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## **Shetland Local Development Plan**

### **Supplementary Guidance – Onshore Wind Energy - DRAFT**

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## 1. Context

### Purpose of This Guidance

The purpose of this Supplementary Guidance (SG) is to:

- Provide developers with information and guidance on where, in principle, large-scale onshore wind energy developments and all associated infrastructure, are likely to be acceptable;
- Provide the criteria in which developments over 50KW will be assessed.
- Provide a policy framework for Shetland Islands Council to use as a basis for consultation responses as part of any Section 36 applications for wind energy developments.
- Provide guidance for micro-turbine schemes.

**Potential developers are asked to refer to this guidance as well as the Local Development Plan and other Supplementary Guidance Documents from the outset. The Council encourages developers to contact the Planning Service at an early stage to discuss their proposals.**

### How to use this Guidance

The Shetland Local Development Plan (LDP), together with any associated Supplementary Guidance, sets out the policies and criteria against which planning applications submitted in Shetland will be considered. All proposals must conform to the relevant Local Development Plan policies and the policies contained within other relevant Supplementary Guidance documents.

This Supplementary Guidance sets out detailed policy advice to help you meet the requirements of the Plan. It is therefore recommended that it be read in conjunction with the policies in the Plan and any other Supplementary Guidance relevant to the type of development proposed. Section 1 provides the spatial framework for wind energy developments and Section 2 provides the detailed policy criteria for assessing development proposals.

### Renewable Energy Resource

Shetland is well placed to make a positive contribution to the national targets through the development of the outstanding renewable resource available such as wind, wave and tidal. The Council is committed to harnessing the benefits from renewable energy for the good of the community at large.

Shetland demonstrates a number of strengths that support the development of renewable technologies, in particular wind. Shetland Islands Council seeks to support these opportunities ensuring that Shetland's renewable energy potential is optimised.

### **Renewable Energy Targets**

In response to the Climate Change (Scotland) Act 2009 the Scottish Government has set targets of generating 30% of all Scottish energy needs including 11% of heat demand to be met by renewable sources by 2020. The Scottish Government also aims to reduce emissions by 42% by 2020 and by 80% by 2050. Development Plans have a duty to contribute to sustainable development and encourage zero and low carbon developments.

Renewable energy developments are a key component for delivering the ongoing efforts for climate change mitigation and the move towards a low carbon society.

## **2. Assessing Development Proposals**

### **National Policy**

SPP contains a requirement for Planning Authorities to provide a spatial framework for onshore wind farms.

Within the spatial framework the Planning authority should classify land in to one of the following groups:

Group 1: Areas where wind farms will not be acceptable, these areas are defined as land that is designated as either a National Park or a National Scenic Area.

Group2: Areas of significant protection. Wind farm development may be appropriate in some circumstances in these areas. However, further consideration will be required to demonstrate that any significant effects on the qualities of these areas can be substantially overcome by siting, design or other mitigation.

Group 3: Areas with Potential for wind farm development. Areas beyond groups 1 and 2 where wind farms are likely to be acceptable, subject to detailed consideration against identified policy criteria.

### **Local Development Plan Policy**

The Local Development Plan is the main policy reference for all development within Shetland; the Planning Authority will use the land use planning policies contained in the Plan to determine applications submitted under the Planning (Scotland) Acts. Any potential developer should consult the Local Development Plan to ensure compliance with the relevant policies.

The Shetland Local Development supports and encourages development of a diverse range of renewable energy technologies in order to maximise the associated social and economic opportunities whilst protecting the environment. Appropriately

targeted renewable energy development has the potential to reduce Shetland's reliance on fossil fuels, thus offering protection against rising oil and gas prices. The Local Development Plan identifies areas for residential and mixed use development known as Areas of Best Fit and Sites with development potential. Any potential sterilisation of these areas will be a material consideration in the determination of wind energy applications.

### **LDP RE1 Renewable Energy**

The Council is committed to delivering renewable energy developments that contribute to the sustainable development of Shetland. Proposals for renewable energy developments will be supported where it can be demonstrated that there are no unacceptable impacts on people (benefits and disbenefits for communities and tourism and recreation interests) the natural and water environment, landscape, historic environment and the built environment and cultural heritage of Shetland.

All proposals for renewable energy developments will be assessed with consideration of their cumulative impacts.

Further detailed guidance on renewable developments is provided in Supplementary Guidance – Onshore Wind Energy which will contain the spatial framework for large scale wind energy developments of 20MW and above generating capacity.

#### **Justification**

Renewable energy comes from natural sources that are constantly and sustainably replenished such as sunlight, wind, rain, tides, wave and biomass; it also includes energy from waste.

This policy and related guidance supports and facilitates the alternative generation of energy whilst safeguarding Shetland's unique natural and historic environment.

Renewable energy developments can provide a sustainable opportunity for diversification within the Shetland economy.

There is potential for communities and small businesses to invest in ownership of renewable energy projects or develop their own projects for the benefit of local communities.

The Scottish Government's targets are to reduce emissions by 42% by 2020 and by 80% by 2050 through the Climate Change (Scotland) Act 2009. Development Plans have a duty to contribute to sustainable development and encourage zero and low carbon developments.

Shetland demonstrates a number of strengths that support the development of renewable technologies and the Plan seeks to support these opportunities ensuring that Shetland's renewable energy potential is optimised.

Supplementary Guidance identifies broad areas of search illustrating areas where there are no known significant constraints to large scale windfarm developments. It will also give detailed guidance on renewable energy.

## Classifying Wind Energy Developments

Wind energy developments have been categorised in the table below. Although capacity is a primary determinant, other factors such as the number of turbines or size affect the information required and how the Council will consider applications for consent.

Table 1. Wind Energy development categories

Category	Definition	Relevant Policies
<b>VERY LARGE</b>	Total Capacity of 50MW or more	These applications are dealt with through the Scottish Government's Energy Consents Unit in accordance with Section 36 of the Electricity Act 1989. The Policies contained within the Shetland Local Development Plan and this supplementary guidance document will be used to form the basis of any response made by Shetland Islands Council, as a consultee, on any such application.
<b>LARGE</b>	8 or more turbines and/or turbines larger than 50 meters to hub and/or 80 metres to tip and/or Total capacity between 20MW and 50MW	<ul style="list-style-type: none"> <li>All developments will be assessed against the appropriate LDP policies.</li> <li>For turbines over 50m height (to hub), the developer will be required to submit a Zone of Theoretical Visibility (ZTV) map to a radius of a minimum of 20km with visualisations and photomontages and will be advised of other requirements through the EIA Screening process.</li> </ul>
<b>MEDIUM</b>	<ul style="list-style-type: none"> <li>4 to 7 turbines with a hub height of 50 metres or less and/or</li> <li>Total capacity over 5MW and up to 20</li> </ul>	<ul style="list-style-type: none"> <li>All developments will be assessed against the appropriate LDP and SG policies.</li> <li>For turbines in the hub height range 15m to 50m, developers</li> </ul>

	MW	will be required to submit a Zone of Theoretical Visibility (ZTV) map to a radius of 15km with photomontages.
<b>SMALL</b>	<ul style="list-style-type: none"> <li>Up to three turbines with hub height 15 to 50 metres or less and/or</li> <li>Total capacity greater than 50kw and up to 5 MW</li> </ul>	<p>All developments will be assessed against the appropriate LDP and SG policies.</p> <p>Depending on the landscape sensitivity and the capability of the location to support wind turbine development and number of turbines developers may be required to submit a Zone of Theoretical Visibility (ZTV) map with photomontages</p>
<b>MICRO GENERATION</b>	<ul style="list-style-type: none"> <li>Up to three turbines with hub height 15 metres or less, rotor diameter 10.5 metres or less and total capacity of 50kW or less.</li> </ul>	<p>Depending on the landscape sensitivity and the capability of the location to support wind turbine development and number of turbines developers may be required to submit a Zone of Theoretical Visibility (ZTV) map with photomontages.</p>

## Supplementary Guidance Policy Section

### 3. Section 1 - Spatial Framework

The Spatial policies have been developed following the guidance set out in Scottish Planning Policy by the Scottish Government. With reference to Group 2 areas as defined in SPP the Planning Authority has included data as available at the time of publication. In relation to carbon rich soils, deep peat and priority peatland habitat developers should consult the draft map produced by Scottish Natural Heritage as the most up to date information available on the location of carbon rich soils, deep peat and priority peatland. This information should be supported by site specific survey. Once finalised the SNH maps will be included in the group 2 areas. The latest information can be accessed at: <http://www.snh.gov.uk/planning-and-development/advice-for-planners-and-developers/soils-and-development/cpp/>

The Local Development Plan does not contain defined settlement boundaries due to the nature of the settlement pattern in Shetland. Therefore, the community separation for consideration of visual impact has not been included in group 2.

The spatial framework for wind energy applies to large scale and very large scale developments as set out in Table 1.

Maps 1, 2 and 3 are indicative in order to highlight the key designations and safeguarding areas. Developers should use this information as a starting point to identify the designations relevant to their proposals.

Reference	Policy	
<b>Spatial Policy 1</b>  <b>Group 1: Areas where wind farms will not be acceptable</b>	Scottish Planning Policy states that wind farms are unacceptable within National Parks and National Scenic Areas. Map 1 identifies the National Scenic Area designation for Shetland.	<b>Map 1</b>
<b>Spatial Policy 2</b>  <b>Group 2: Areas of significant protection.</b>	<p>The areas identified on Map 2 have a recognised sensitivity to large scale wind energy developments and as such are afforded significant protection due to their national or international natural heritage value.</p> <p>In line with Scottish Planning Policy Large Scale Wind energy developments may be permitted within these areas where it can be demonstrated that any significant effects on the qualities of these areas can be substantially overcome by siting, design or other mitigation. Any potential development must demonstrate that the development criteria (<b><i>contained in section 2 of this guidance</i></b>) can be satisfactorily achieved.</p> <p>Any application for wind energy developments will be required to meet all applicable Shetland Local Development Plan policies and relevant National and International guidance.</p>	<b>Map 2</b>
<b>Spatial Policy 3</b>  <b>Group 3: Areas with potential for wind farm development</b>	Areas out with groups 1 and 2. These areas are considered to be capable, in principle, subject to compliance with local safeguarding of supporting large scale wind energy developments within Shetland.	<b>Map 3</b>

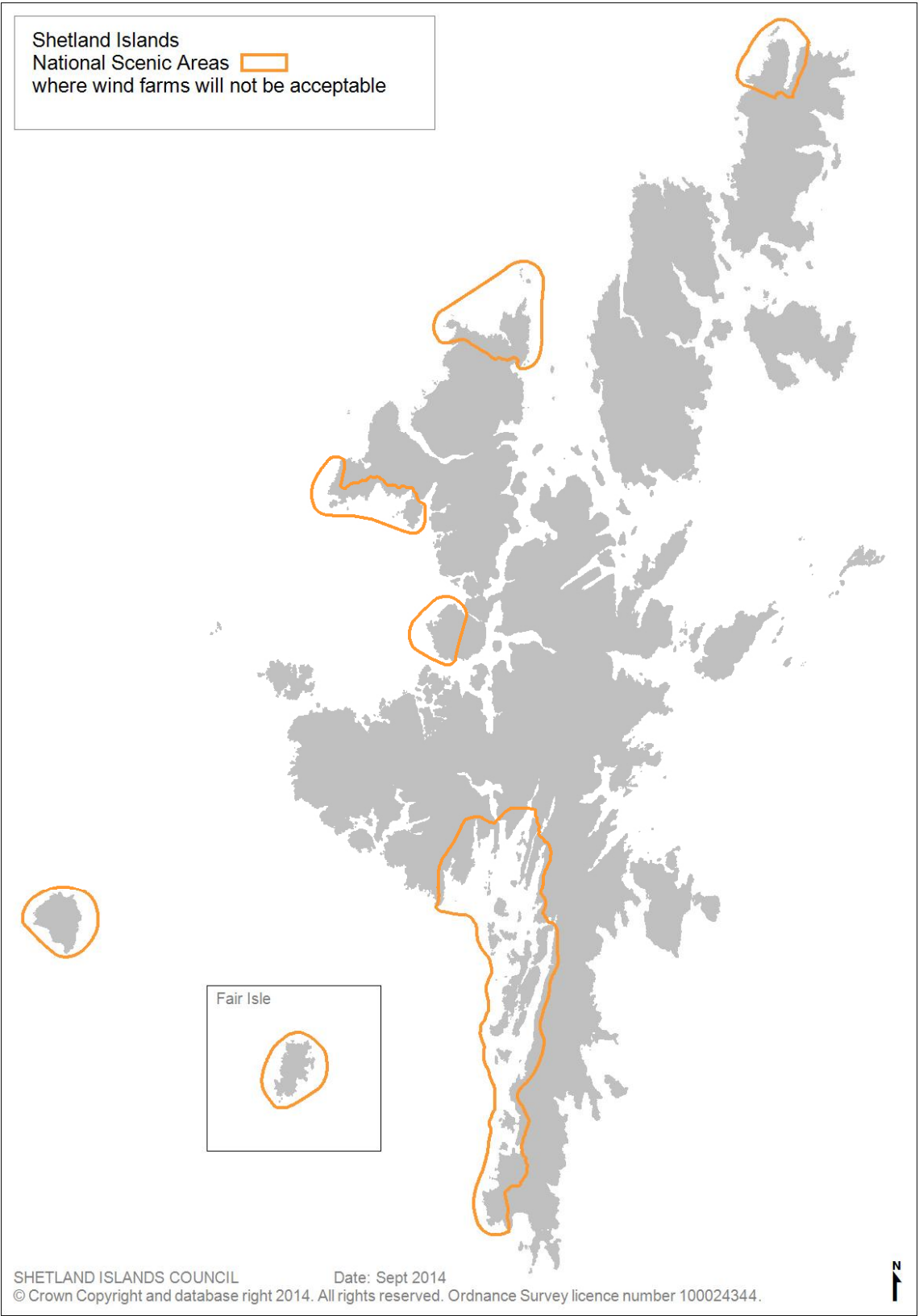


	<p>Proposals for wind energy developments within these areas must satisfy the development criteria set out in Section 2 of this guidance.</p> <p>Any application for wind energy developments will be required to meet all applicable Local Development Plan policies and relevant National and International guidance.</p>	
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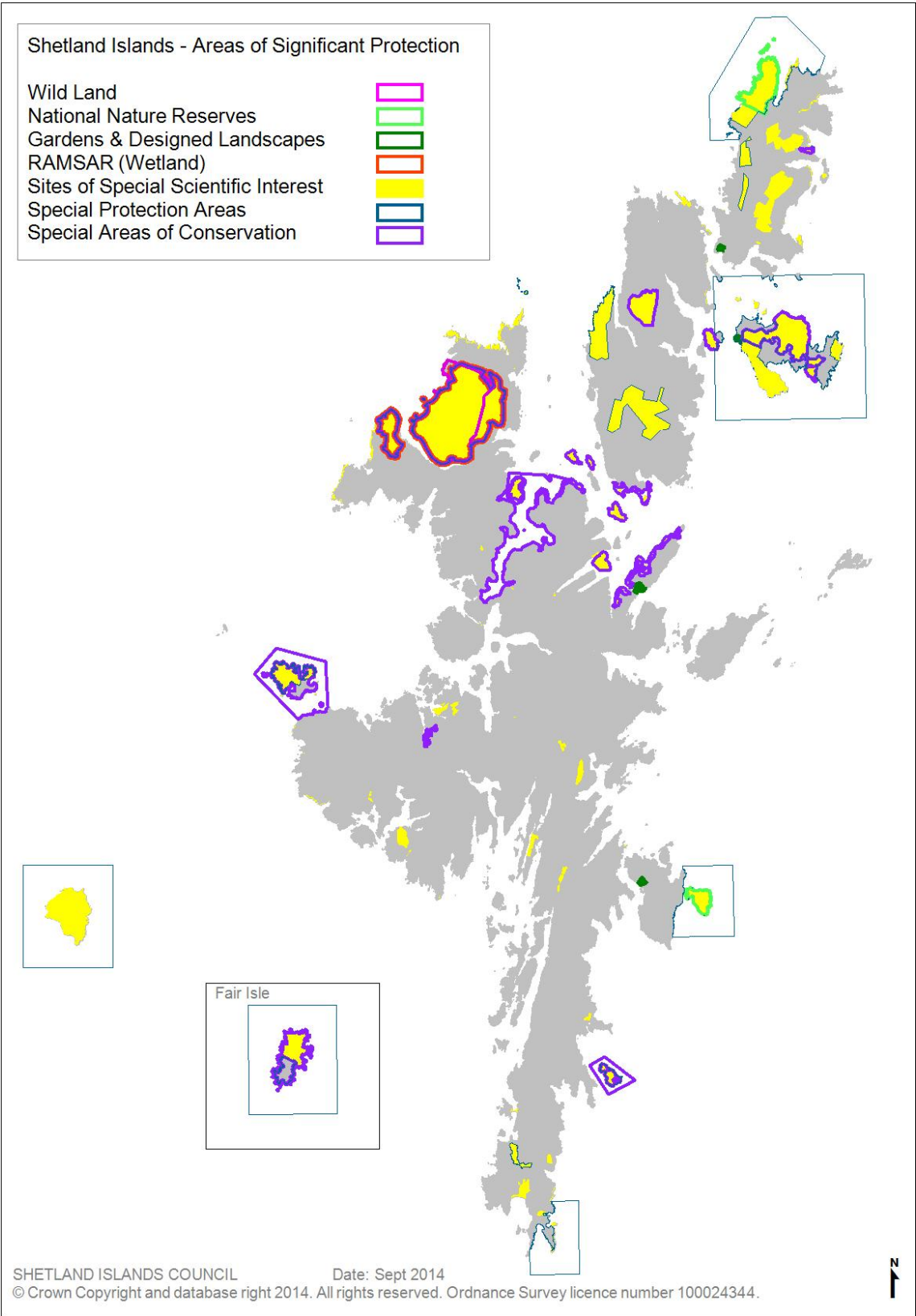
### **Justification**

This spatial framework has been developed following Scottish Government guidance on preparing spatial frameworks for onshore wind farm developments, incorporating Land Use Consultants Landscape Sensitivity Study 2009. It also takes account of the work done to establish Local Nature Conservation Sites (LNCS), Local Landscape Areas (LLA), safeguarding and archaeology. The framework applies to wind energy proposals of 20MW and above thus, large and very large scale developments.

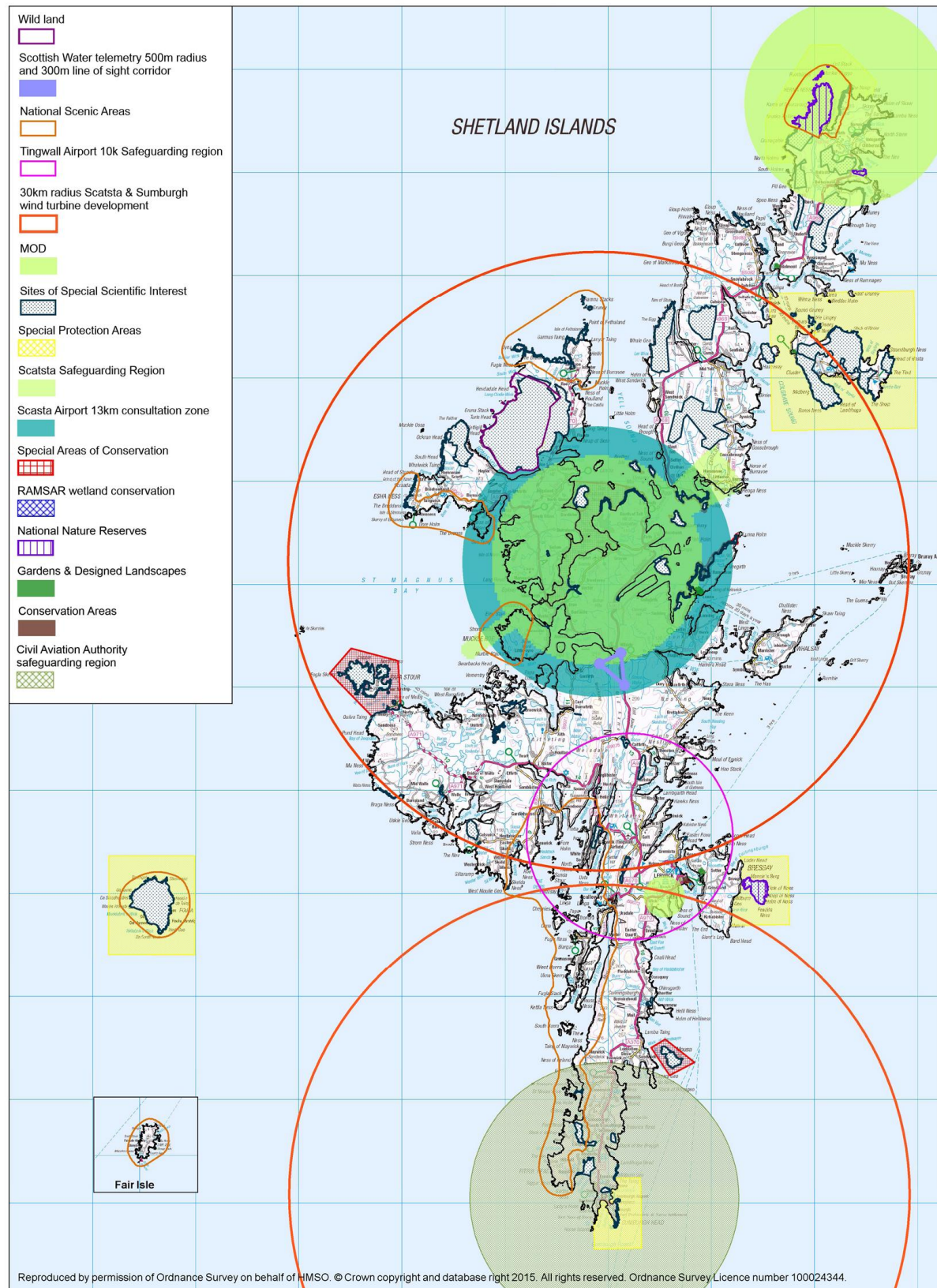
Map 1



Map 2



### Map 3 Group 1 and 2 areas with Local safeguarding



## 5. Section 2 - Development Criteria

*This section provides detailed local policies that will form the basis of the decision making process for proposed onshore wind energy developments. Scottish Planning Policy (SPP) 2014 paragraph 169*

*(<http://www.gov.scot/Resource/0045/00453827.pdf>) lists the key considerations in the development management process for onshore wind energy developments. The policies within this section provide a local context to these considerations. These policies, alongside all other relevant Local Development Plan and Supplementary Guidance policies will be used to determine Planning Applications for onshore wind energy proposals.*

### Policies

- DC1 Landscape and Visual Impact
- DC2 Cumulative Impact
- DC3 Natural Heritage
- DC4 Impacts on communities
- DC5 Water Resources
- DC6 Decommissioning
- DC7 Historic Environment

### DC1 Landscape and Visual Impact

All applications must be accompanied by an assessment of the likely impact of the proposed development on landscape character and visual amenity. This assessment must meet the requirements of published guidance in Scottish Planning Policy and from national statutory consultees and accepted good practice.

Developers of very large, large and medium scale proposals will be required to show that their proposal conforms to the guidance provided in the Landscape Sensitivity and Capacity Study for Wind Farm Development on The Shetland Islands (Land Use Consultants for SIC, 2009) for each affected visual compartment. Proposals shall take account of the described landscape sensitivities of each landscape character area, site specific landscape and visual assessment and other guidance produced by statutory bodies.

Zone of Theoretical Visibility (ZTV) maps must be included as recommended in relevant guidance for:

For turbines over 50m height (to blade tip), the developer will be required to submit a Zone of Theoretical Visibility (ZTV) map to a minimum radius of 20km with visualisations and photomontages and will be advised of other requirements through the EIA Screening process.

For turbines in the hub height range of over 15m and up to 50m, developers will be required to submit a ZTV map to a radius of 15km with photomontages

Depending on the landscape sensitivity of the proposed location and its capability to support wind farm development and potential cumulative impact of the development, any applicant may be required to submit a ZTV. This includes Small and Micro Generation turbines. In determining the sensitivity of the landscape developers should reference the 'Landscape Sensitivity and Capacity Study for Wind Farm Development on the Shetland Islands' 2009.

When assessing these impacts, the associated infrastructure, including tracks, power lines and ancillary development should be considered as well as the scale and pattern of the turbines.

The developer will submit a Landscape and Visual Impact Assessment that includes an assessment of cumulative landscape and visual effects, enabling SIC to fully understand the nature and significance of potential effects upon the landscape and views. This should be undertaken and presented in line with guidance issued by Scottish Natural Heritage, the Landscape Institute and The Institute of Environmental Management & Assessment and include all elements of the development, including all ancillary infrastructure (such as access tracks, borrow pits, any necessary road widening/ straightening, turbine foundations, crane hard standings, substations, control rooms or offices and car parks ). Links to the relevant guidance can be found within the further guidance section of this document.

#### Justification

Any on-shore and offshore wind energy development and its associated infrastructure will have an impact on the landscape character and visual amenity of Shetland). The aim of this policy is to direct development to where it will be least damaging to the landscape and visual amenity. Scottish Planning Policy, paragraph 169, sets out a range of factors to be considered in determining onshore wind energy developments <http://www.scotland.gov.uk/Resource/0045/00453827.pdf>. However, this list is not exhaustive and each application must be determined on its own merits taking in to account local circumstances.

#### DC2 Cumulative Impacts

Developers will be expected to demonstrate that proposals will not result in unacceptable cumulative impacts. In addition to DC1 Landscape and Visual Impact Assessment, developers will be asked to take into account a wide range of cumulative factors including the natural, historic and built environment, the visual amenity of residents and wider socio-economic impacts. All applications will be assessed on a case-by-case basis and should be accompanied by an assessment of the likely cumulative impacts on natural heritage, particularly in relation to bird species and peatland. When assessing cumulative impacts on natural heritage, all associated infrastructure, including tracks, power lines and ancillary development should be considered. Cumulative impacts on natural heritage can include, but are not limited to:



- Collision risk;
- Displacement;
- Disturbance;
- The creation of barriers to species movements
- Habitat loss

### Justification

Scottish Planning Policy identifies a number of factors to be taken into consideration when determining planning applications for on-shore wind energy developments. Any such development will have a range of environmental, social and economic effects on the surrounding area therefore due cognisance must be given to these impacts in combination with other development within the area. The nature of onshore wind energy developments and the associated impacts means that, when taken cumulatively, existing and consented energy developments could limit the capacity for further wind energy development.

### DC3 Natural Heritage

**Conservation of Species and Habitats** Proposals for onshore wind development should show that, individually or cumulatively, they will not adversely affect the favourable conservation status of a species, or stop a recovering species from reaching favourable conservation status, at international, national or regional level. Proposals should address the following:

#### **Ornithology**

All applications for onshore wind energy development must be accompanied by an assessment of the risks to bird populations.

Shetland supports important populations of birds in addition to those that form part of the qualifying interest of designated sites. Ornithological studies and surveys should include an assessment of the following risks:

- Collision with turbines and associated infrastructure;
- Displacement of birds due to loss of suitable feeding and/or breeding/wintering habitat;
- Disturbance within and around the turbine envelope; and
- Creating a barrier to dispersal, regular movements or migration.

The risk of disturbance to bird species during construction and operation of an onshore wind development is also an important consideration. For some species this is of greater potential significance than collision mortality. A Bird Protection Plan should be included within the Draft Habitat Management Plan as part of an onshore wind development proposal and should include consideration of the potential for activities to disturb bird species, particularly during the bird breeding season and other seasonal bird activity, such as migration. Bird Protection Plans should also include information on the monitoring of the development's effects on bird populations.

### **European Protected Species**

Wind farm development proposals should also consider the potential impact of wind developments on otters, and identify the potential need for surveys and mitigation measures, all as set out in SG Natural Heritage.

### **UKBAP Priority Species**

Wind farm development proposals should consider the potential impact of wind developments on UKBAP Priority Species, and identify the potential need for surveys and mitigation measures.

### **Habitat Management Plans**

A Draft Habitat Management Plan (HMP) should accompany applications for onshore wind developments where it is necessary to mitigate or compensate for impacts on important habitats or species

Habitat Management Plans are usually implemented within the area of the development, but may include areas outwith the development areas, subject to relevant agreements. A Habitat Management Plan should include:

- The reason for the HMP;
- The aims and measurable objectives of the HMP;
- An appropriate methodology, including details of timescales, locations and responsibilities;
- A monitoring schedule;
- Monitoring, reporting and revision proposals.

### **Peat**

Where very large scale and large scale wind energy development is proposed to be on peat it is expected that a carbon calculation be used during the preparation of the proposal. It should be demonstrated that the whole life carbon balance of the proposals has been considered. For windfarms that are below the generation/ size threshold for application of the carbon calculator, evidence should still be submitted as part of the planning application to provide evidence that the carbon impact of the development has been minimised.

It should also be demonstrated how the layout and design of the proposal, including all infrastructure, has been devised to avoid impacts on peat. Guidance on peat depth surveys, construction methods on peat and suitable methods of re-use of excavated peat can be found in the links in further advice and guidance. Where avoidance is impossible details of how impacts are minimised and mitigated should be provided, including a detailed map of peat depth and characteristics.

Geotechnical and hydrological information should be included identifying the presence of peat at each site, including the risk of landslide connected to any development work. Potential impacts on peat that should be considered include, but are not limited to:

- Waste management;
- Drainage;



- Dewatering
- Excavation;
- Pollution;
- The potential for landslides and bog bursts;
- The effects on peatland habitat and associated species;
- Other ecological functions of peat

Any Habitat Management Plan developed, as part of the proposal should include consideration of peatland habitats.

### **Justification**

Certain natural heritage features, whether habitats, species, landscape geological or geomorphological in nature, are protected under European and/ or UK law. Their presence on or near a development site will require consideration to ensure compliance with the relevant legislation and more generally that no adverse effect on the population or feature arises, including cumulatively.

### DC4 Impacts on Communities

Development proposals must, in combination with existing and consented wind energy developments, assess the likely impact on communities and the long term impacts on amenity including outdoor access, recreation and tourism opportunities.

### **Justification**

Planning applications must be accompanied by an assessment of the effects on these locations covering a range of factors including; visual amenity, noise, shadow flicker, electromagnetic interference, designated sites, road safety and construction/ decommissioning logistics, impacts on access routes and recreation interests, phasing and any other identifiable significant effects.

### DC5 Water Resources

Onshore wind energy development and/ or associated infrastructure proposals should demonstrate that there will be no significant adverse effects on the water environment, including Ground Water Dependant Terrestrial Ecosystems (GWDTE's), which are types of wetland protected by the Water Framework Directive.

Scottish Water operates local telemetry links between several assets in Shetland. To ensure that there is no interference in their operation Scottish Water adopts Ofcom's advisory recommendation on the separation distance between wind energy systems and telemetry equipment; the tips of the turbine's propellers should be a minimum distance of 500m away from the transmitter. The tips of proposed turbine propellers should be at least 300m clear of the line of sight between the transmitters. These areas are displayed on Map 3 as local safeguarding.

### **Justification**

The Council has a duty to protect and, where possible improve, Shetland's water environment in its role as a responsible authority under the Water Framework

Directive. It is a key objective of the Scottish River Basin Management Plan and the Shetland Area Management Plan that water bodies and watercourses achieve good ecological status and that there is no deterioration in the current ecological status. The water environment includes burns, rivers, ponds, lochs, wetlands, standing, tidal or coastal waters as well as ground water.

Foundations, borrow pits and linear infrastructure such as roads, tracks, and trenches can disrupt groundwater flow and impact upon these sensitive receptors. Mapping and subsequent avoidance of GWTDE in development proposals will avoid delay and expense to the developer both during the project and after construction. Detailed advice on the survey requirements is available from SEPA's website. The water environment has a finite capacity to receive pollutants. The provision of sustainable drainage infrastructure is essential in protecting, maintaining and improving the water environment.

### DC6 Decommissioning

Proposals for onshore wind energy developments and associated infrastructure should be accompanied by a decommissioning statement detailing the method of reinstatement of the site to its original condition. The decommissioning statement should include details of the removal of all turbines and ancillary buildings and related plant as well as the reinstatement of land altered by any ancillary infrastructure. Decommissioning statements should take into account best practice guidance from the Scottish Government, Scottish Natural Heritage and the Scottish Environment Protection Agency.

### **Justification**

The lifespan of most commercial wind turbines is typically suggested to be 25 years and therefore Planning Permission will usually be granted for this period.

Due to the limited lifespan of the equipment associated with wind energy developments it is essential that the removal of redundant equipment and associated ground disturbance be considered from the outset of the project development including opportunities for repowering

### DC7 Historic Environment

Shetland's historic environment encompasses Scheduled Monuments, historic buildings, conservation areas, archaeological sites and landscapes, historic gardens and designed landscapes. Onshore wind energy development and/ or associated infrastructure proposals should not adversely affect the historic environment or its key features, including its setting and intervisibility between assets.

Applications for wind energy developments should include an assessment of the surrounding historic environment and potential impacts on the structures and their setting.

All other significant archaeological features beyond those detailed above should be preserved in situ wherever feasible. Where preservation in situ is not possible the

planning authority should ensure that developers undertake appropriate archaeological excavation, recording, analysis, publication and archiving in advance of and/ or during development. In the case that archaeological remains become apparent after development has commenced the Shetland Islands Archaeologist should be informed and a course of appropriate action agreed and implemented prior to work continuing.

### **Justification**

The setting of archaeological and historical features is important to our understanding of the historic environment, and thus can be sensitive to new developments. Many areas within Shetland include a number of assets where intervisibility between them is regarded as a key feature of their historic importance, which increases their sensitivity to new developments.

There are areas in Shetland where historic features are more prevalent, for example, the close network of archaeological sites in south Dunrossness, including: Jarlshof, Old Scatness, Ness of Burgi, Sumburgh Head and including Eastshore and Clevigarth Brochs. This is an example where intervisibility between assets is a key feature of the area.

Historic Gardens and Designed Landscapes within Shetland are also sensitive to new developments. As views both in and out of these are important characteristics their settings should be safeguarded from adverse impacts.

### **Micro Generation Proposals**

Micro generation is defined as the production of heat (less than 45 kilowatt capacity) and/or electricity (less than 50kw capacity) from zero or low carbon source technologies. Wind energy generated through micro-generation technologies is increasingly seen as part of a wider strategy to address climate change and fuel poverty.

The Scottish Government and Shetland Islands Council support the principle of wind energy development. Some micro generation developments may be deemed permitted development, however, this is a very complex area where prior approval is often required. Developers should seek advice from SIC Development Management prior to progressing any development proposals.

Further guidance on micro-renewables can be found at

<http://www.snh.gov.uk/planning-and-development/renewable-energy/micro-renewables/>

The Scottish Government has produced a series of planning advice documents online relating to renewable energy developments. These are regularly updated to reflect best practice. The fact sheet on Microgeneration can be found at:

<http://www.scotland.gov.uk/Resource/0041/00415738.pdf>

## Further Advice and Guidance for developers

### General

All applications for proposed wind energy applications must contain the following:

- A completed full planning application
- A site and location plan of the proposed turbine(s) (showing the nearest noise receptor if applicable)
- Noise impact assessment
- Specification of the proposed turbine(s)

The list above outlines the minimum level of information required in order to validate an application. However, depending on the individual circumstances of each application the applicant may be asked to provide further information. For example in line with table 1 contained within this document applicants may also need to provide:

- A zone of theoretical visibility map
- An EIA could be required depending on height of turbine(s) and sensitivity of area

### Planning guidance

The following documents provide planning guidance on windfarm developments:

[LUPS GU4 Planning guidance on on-shore windfarm developments](#), available at:

<http://www.sepa.org.uk/media/136117/planning-guidance-on-on-shore-windfarms-developments.pdf>

'Good practice during wind farm construction', available at

<http://www.snh.org.uk/pdfs/strategy/renewables/Good%20practice%20during%20windfarm%20construction.pdf>

**The following sections provide links and guidance relating to the development criteria outlined in Section 2 of this document. Applicants are encouraged to enter into pre-application discussions with the Council and other relevant organisations such as SEPA and SNH to discuss the potential development and any issues that may arise at an early stage.**

#### **Landscape and visual impacts**

Further advice on landscape and visual impacts can be found at

<http://www.snh.gov.uk/planning-and-development/renewable-energy/onshore-wind/landscape-impacts-guidance>

Landscape Sensitivity and Capacity Study for Wind Farm Development on the Shetland Islands 2009.

<http://www.shetland.gov.uk/developmentplans/documents/ShetlandIslandsCouncilLandscapeSensitivityStudyFinalReport.pdf>

## Cumulative impacts

Developers should refer to SNH's guidance 'Assessing the Cumulative Impact of Onshore Wind Energy Developments 2012' <http://www.snh.gov.uk/planning-and-development/renewable-energy/onshore-wind/general-advice-and-information/>

## Natural Heritage

SNH Guidance on assessing windfarm impacts on birds can be found at <http://www.snh.gov.uk/planning-and-development/renewable-energy/onshore-wind/windfarm-impacts-on-birds-guidance/>

Further guidance on otters can be found at <http://www.snh.gov.uk/protecting-scotlands-nature/protected-species/which-and-how/mammals/otter-protection/>

[Assessing Significance of Impacts from Onshore Windfarms Outwith Designated Areas - www.snh.gov.uk/docs/C206958.pdf](http://www.snh.gov.uk/docs/C206958.pdf).

Further information can be found in SNH's [Planning for development: what to consider and include in Habitat Management Plans](#)

Further information on carbon calculation can be found on the Scottish Government website at: <http://www.scotland.gov.uk/Topics/Business-Industry/Energy/Energy-sources/19185/17852-1/CSavings>

Further information on Peat can be found at:

- SNH, SEPA, Scottish Government and The James Hutton Institute (2011) Developments on Peatland: Site Surveys and Best Practice [www.scotland.gov.uk/Resource/Doc/917/0120462.pdf](http://www.scotland.gov.uk/Resource/Doc/917/0120462.pdf) SEPA guidance on Surplus Peat Management: [www.sepa.org.uk/planning/sustainable\\_waste\\_management/surplus\\_peat\\_management.aspx](http://www.sepa.org.uk/planning/sustainable_waste_management/surplus_peat_management.aspx) including links to [Guidance on the Assessment of Peat Volumes, Reuse of Excavated Peat and Minimisation of Waste](#) and [Regulatory Position Statement – Developments on Peat](#).”
- FCS and SNH (2010) *Floating Roads on Peat* [www.roadex.org/uploads/publications/Seminars/Scotland/FCE:SNH%20Floating%20Roads%20on%20Peat%20report.pdf](http://www.roadex.org/uploads/publications/Seminars/Scotland/FCE:SNH%20Floating%20Roads%20on%20Peat%20report.pdf)

## Carbon Calculator

<http://www.scotland.gov.uk/Topics/Business-Industry/Energy/Energy-sources/19185/17852-1/CSavings>.

## Access

All proposals for windfarm development must comply with the access requirements as set out in the Shetland Islands Council Roads Department guidance document 'Windfarm Access Design Guide'. Please contact SIC Roads Service for information on this guidance.

## Noise Impacts

Shetland Islands Council Environmental Health Service is the statutory regulator of noise nuisance. Environmental Health is consulted on applications where it is believed that the noise generated from a turbine or group of turbines could have a detrimental impact to surrounding sensitive receptors. Please note that this procedure is applicable to turbines 15m and under.

### Small Wind Turbine Noise Procedure for Shetland

#### 1. Scope

- Generating power up to 50kW
- Maximum rotor system swept area 28m<sup>2</sup>
- Hub height 15m

#### 2. Typical background rural noise levels (Log<sub>10</sub> average)

Wind Speed m/s	3	4	5	6	7	8	9	10	<b>Log Avg</b>
Daytime background Noise Level (dB(A))	28.7	29.2	30.2	31.6	33.4	35.7	38.3	41.5	<b>33.6</b>
Night-time background Noise Level (dB(A))	22.3	23.4	25	27	29.6	32.7	36.2	40.3	<b>29.6</b>

#### 3. Definitions:

- **Sensitive Receptor**; the nearest non-associated dwelling house to the proposed wind turbine(s)
- **Amenity Boundary**; the enclosed space of ground and buildings [immediately](#) surrounding the [dwelling-house](#)(s) typically the garden. Croft land, paddocks woodland etc. would not be normally treated as being in amenity use.

- **L<sub>P</sub>**; The noise emanating from the wind turbine(s) dB(A) at the nearest sensitive receptor including the amenity boundary.
- **L<sub>W</sub>**; The declared Sound Power Level (SPL) of the wind turbine dB(A).  
[BS EN 61400-11:2013]
- **A<sub>Tonal</sub>** is a 3% addition to the **L<sub>W</sub>** (3% of L<sub>W</sub>) to account for the potential tonality of the turbine noise.
- **r** is the distance from the turbine hub to the nearest point at the nearest sensitive receptors' amenity boundary (m).
- **- 8dB(A)** = hemi-spherical noise propagation.
- **A<sub>Ground</sub>**; Ground conditions between the turbine(s) and the non-associated sensitive receptors; G = 0 (hard ground e.g. tarmac) or G = 1 (soft ground e.g. grassland).  
G = 0 (no attenuation)  
G = 1 is a constant with an attenuation of **- 3.7dB(A)**  
[ISO 9613-2]
- **A<sub>Elevations</sub>**; The range is **0dB(A)** (full line of sight) to **-10dB(A)** (no line of sight) and all points in between. For example:

100 % full line of sight	<b>0.0 dB(A) attenuation</b>
75% partial line of sight	<b>- 2.5 dB(A) attenuation</b>
50 % partial line of sight	<b>- 5.0 dB(A) attenuation</b>
25 % partial line of sight	<b>- 7.5 dB(A) attenuation</b>
0% line of sight	<b>- 10 dB(A) attenuation</b>

#### 4. Noise limits

Noise from the turbine(s) will be limited to 5dB(A) above the prevailing background noise for daytime (07:00 – 23:00) and night-time (23:00 – 07:00) at the nearest non-associated premises incorporating A<sub>Tonal</sub>, A<sub>Ground</sub> and A<sub>Elevations</sub>.

Average daytime background noise level = 33.6dB(A) + 5dB(A) = **38.6dB(A)**

Average night-time background noise level = 29.6dB(A) + 5dB(A) = **34.6dB(A)**

[ETSU-R-97 guidance]

#### 5. Information required from developers and agents

- Accurate 12 digit grid references for the turbine sites(s)
- Accurate 12 digit grid references for the nearest non-associated sensitive receptor(s)

- Accurate 12 digit grid references for premises benefitting from the development
- Accurate distances from the turbine(s) to all relevant receptors (m)
- The declared Sound Power Level(s) dB(A) re:  $L_w$
- The percentage range (0% - 100%) of the line of sight re:  $A_{\text{elevations}}$
- Ground conditions between the turbine(s) and the non-associated sensitive receptors;  $G = 1$  or  $G = 2$  re:  $A_{\text{Ground}}$
- An accurate map of the location
- A map of the site indicating the nearest sensitive receptor(s) and the premises benefitting from the development.

Please note that the above information (part 5) is a guide only and is not an exhaustive list; a proposal for a turbine may require site specific assessment, and further particulars, documents, materials or evidence may be requested by the planning authority at any time during the assessment of a planning application to enable them to deal with it.

## Water Resources

For drainage issues associated with public roads and roads drainage issues please refer to Shetland Islands Councils Roads Access Design Guide.

SEPA and SNH hold some information on wetlands (including GWDTE) within the Scottish Wetland Inventory Wetlands and GWDTEs will also be present outwith designated sites. A site specific survey is required for all developments where wetland habitats are present. These can be identified using the procedure in SEPA's planning Guidance on windfarm developments (paragraph 3.2)

<http://www.sepa.org.uk/planning.aspx>

Please refer to SEPA Planning Guidance (LUPS-GU31) on assessing the impacts of development proposals on Groundwater Abstractions and Groundwater Dependent Terrestrial Ecosystems

[http://www.sepa.org.uk/media/143868/lupsgu31\\_planning\\_guidance\\_on\\_groundwater\\_r\\_abstractions.pdf](http://www.sepa.org.uk/media/143868/lupsgu31_planning_guidance_on_groundwater_r_abstractions.pdf) Appendix 3 of this guidance note provides advice on the minimum mapping information that should be submitted in support of a planning submission, Appendix 4 contains a list of NVC communities that may be dependent on groundwater. This guidance note also contains further information on carrying out a detailed risk assessment

## Decommissioning

Siting and Designing windfarms in the landscape

<http://www.snh.gov.uk/docs/A337202.pdf>



LUPS GU4 Planning guidance on on-shore windfarm developments, available at:

<http://www.sepa.org.uk/media/136117/planning-guidance-on-on-shore-windfarms-developments.pdf>

Further information on decommissioning can be found at the Pollution prevention and environmental management section of SEPA's website:

[http://www.sepa.org.uk/planning/construction\\_and\\_pollution.aspx](http://www.sepa.org.uk/planning/construction_and_pollution.aspx)

SEPA has produced the following useful guidance documents, which should be considered in relation to wind energy developments. The following documents can be accessed at <http://www.sepa.org.uk/planning.aspx>

SEPA Position statement on Waste

SEPA planning Guidance on windfarm developments

SEPA's (interim) Position Statement on Planning, Energy and Climate Change

SEPA, SNH, FCS and Scottish Renewables: Good Practice During Windfarm Construction

### **Historic Environment**

Should there be known archaeology or a risk of archaeology in the area of your proposed site contact the Shetland Archaeologist at the Shetland Amenity Trust for further information.

<http://www.historic-scotland.gov.uk/managing-change-consultation-micro-renewables.pdf>



**Development Committee****15 June 2015****Flood Risk Management Plan – Progress and Proposals****Report Number: DV-35-15-F****Report Presented by: Planning Engineer****Development Services Department  
Planning Service****1.0 Summary**

- 1.1 The purpose of this report is to update the Committee on the work undertaken by the Shetland Flooding Local Plan District Partnership (LPDP) and to seek approval for the list of proposals developed to be submitted for prioritisation at the national level.
- 1.2 This report follows from the process set out in the report presented to the Development Committee in November 2012 (Min Ref: 70/12).

**2.0 Decision Required**

- 2.1 That the Development Committee RESOLVE to approve the list of proposals outlined in section 3.11 and detailed in Appendix 1 and that these be submitted to the ongoing national Flood Risk Management Plan (FRMP) process.

**3.0 Detail**

- 3.1 This report relates to the work undertaken by the Shetland Flooding LPDP as part of the Council's obligations in developing a National Strategy for Flood Risk.
- 3.2 The Flood Risk Management (Scotland) Act 2009 sets out the responsibilities of Local Authorities to implement flood risk management within their area with a view to reducing overall flood risk.

- 3.3 Flood Risk Management Plans (FRMPs) are being prepared for each local authority area in Scotland. The work is being lead by the Scottish Environmental Protection Agency (SEPA), working together with local authority staff and specialist consultants.
- 3.4 Work to develop FRMPs has been carried out using modelled risks for current and future events together with local information on historic flooding and local conditions. FRMPs address flood risks from coastal, river and surface water sources.
- 3.5 The LPDP has overseen the development of the FRMP for Shetland to the current stage. A list of recommended actions has been produced and has been presented in draft as part of the national FRMP public consultation which ended on 2 June 2015. More information on the process was presented to Members via a briefing note in February 2015.
- 3.6 One response has been received on the draft Shetland FRMP during the consultation period. While the comments were generally supportive or neutral regarding the proposals, they did raise specific concerns regarding the capacity of the culverts on the North and South Burns of Gremista, in Lerwick. These catchments make up the Lerwick priority area identified in the Surface Water Management Plan, with proposed actions as noted below.
- 3.7 No changes are proposed to the draft Shetland FRMP following consultation and the plans are now presented to the Committee for approval.
- 3.8 The recommended actions have been produced by following the national assessment system, and as such are suitable for submission for prioritisation and subsequent consideration for national funding of FRMP works. The details of the proposed funding scheme are still under discussion by COSLA and it is not yet clear how successful schemes of the type and scale of those in Shetland may be in attracting funding. While other works could be put forward for national prioritisation these would not match the criteria of the national assessment system and would be consequently less likely to attract national funding.
- 3.9 The list of recommended actions, as approved by the Committee, will be passed to SEPA for national prioritisation and then for publication as part of the National FRMP by the end of 2015.
- 3.10 Approval of the list of recommended works will be recognition of those particular local flooding related issues to be addressed, although any capital works will still be subject to detailed individual consideration and prioritization by the Council through its own CMT Gateway process.

### 3.11 In summary the recommended works proposed are:

#### Flood Risk Studies

- Cunningsburgh, Burn of Voxter and Burn of Mail, particularly the road culvert crossings of the A970.

Survey and initial design work at the two burn crossings to evaluate possible works, and develop any suitable options to the stage where funding can be sought.

- Vidlin
- Walls

Level surveys in each of the above two locations to establish coastal flood risk

More information on the recommended Flood Risk Study works is given in the SEPA document in appendix 1.

#### Surface Water Management Plan – Priority Areas

- Lerwick, North and South Burns of Gremista
- Scalloway
- Cunningsburgh (in combination with Flood Risk Study)

Survey and initial design work to evaluate possible works in each of the above three locations, and develop any suitable options to the stage where funding can be sought.

More information on the Surface Water Management Plan proposals is given in the SEPA document in appendix 2, with maps showing the priority areas in appendix 3.

## **4.0 Implications**

### Strategic

- 4.1 Delivery on Corporate Priorities - Flood risk management supports policies within the Local development Plan and will provide additional certainty to the assessment of planning applications. It also supports a number of local outcomes on the Single Outcome Agreement, in particular the delivery of sustainable services and making sustainable decisions which reduce harmful impacts on the environment.
- 4.2 Community/Stakeholder Issues - The proposals for Shetland were included in the national consultation exercise run by SEPA which was publicised locally through digital media.

- 4.3 Policy and/or Delegated Authority - In accordance with Section 2.3.1 of the Council's Scheme of Administration and Delegations, the Development Committee has delegated authority to implement decisions within its remit. Section 3(2) of the Council's Constitution – Governance states that the Development Committee is the managing body for all Plans and Strategies which together comprise the Development Plan.
- 4.4 Risk Management - The proposals are intended to address new statutory duties regarding flood risk management. The Council has afforded flood risk management a high priority. The Council would therefore be at risk of reputational damage should it not meet statutory duties, aside from any legal or financial risks attendant. The governance arrangements are intended to engage Members and senior personnel in partner organisations early in the process so that the risk of the draft and final plans being rejected later is substantially reduced without removing local accountability.
- 4.5 Equalities, Health and Human Rights – None.
- 4.6 Environmental - SEPA have overseen a Strategic Environmental Assessment (SEA) for the national FRMP. The current list of approved actions is considered to fall within the scope of this SEA. As potential works are developed in more detail, or if new proposals are introduced in the future, it is possible additional scoping or SEA work may be required to cover location specific issues.

#### Resources

- 4.7 Financial - Production of the FRMP has no direct financial implications. Any future proposals for works resulting from the plan will be submitted for individual CMT approval.
- 4.8 Legal – None.
- 4.9 Human Resources – None.
- 4.10 Assets and Property - Responsibility for protection of Council assets from flooding lies with the service holding the asset. Information gathered as part of the FRMP may better inform services of the existing flood risks and potential actions.

## **5.0 Conclusions**

- 5.1 This report seeks approval from the Development Committee to submit the list of recommended actions produced as part of the FRMP to SEPA for incorporation into the National FRMP.

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For further information please contact:  
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8 June 2015

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### List of Appendices

1. SEPA Document - Shetland Council Flood Studies Ranking.
2. SEPA document - Shetland Islands Council – Surface Water Management Objectives
3. Maps of Surface Water Management Plan (SWMP) priority areas

### Background documents

1. Councillor Information Bulletin –“Update on Implementation of the Flood Risk Management (Scotland) Act 2009” – distributed by email on 27 February 2015
2. SEPA FRMP consultation documents on the Government’s “Citizen Space” site - [link](#)
3. SEPA summary report of consultation responses – available on request





Local Authority	Selected Action	Location	Objective	Next Step	Study Cost	Related actions	Economic Benefits	PVD Damage s	Non-Monet-ised Score	Ranking (evidence based)			Ranking (local preference)	Reason	Proposed delivery cycle
										National	LPD	LA			
Shetland	Flood Protection Study (4002010005)	Walls (PVA 04/02)	Reduce economic damages and risk to residential and non-residential properties from coastal flooding Objective ID: 400201.	A hydraulic study is recommended to assess flood risk in Walls Wave action should be considered as part of the study. It is thought that SEPA's strategic flood risk and hazard maps under-estimate flood risk in Walls The study should identify the most sustainable range of actions to address flood risk.	<£25,000		Potentially there are present value benefits of £923,198 that could be achieved over a 100 year design life of a scheme, should flood protection works be progressed in the future. Seven residential and one non-residential property could benefit.	£923,198	5	139	1	1	3	No history of flooding	C1
Shetland	Flood Protection Study (4001010005)	Vidlin (PVA 04/01)	Reduce economic damages and risk to non-residential properties and community facilities in Vidlin from coastal flooding Objective ID: 400101.	A hydraulic study is recommended to assess flood risk in Vidlin. Wave action should be considered as part of the study. It is thought that SEPA's strategic flood risk and hazard maps under-estimate flood risk in Vidlin. The study should identify the most sustainable range of actions to address flood risk.	<£25,000		The baseline mapping identifies the school and church in Vidlin as at high likelihood of flooding. There are no residential properties identified as at risk. There is currently a low level of certainty in the baseline modelling as it does not include wave overtopping. Potentially there are present value benefits of £351,341 which could be achieved over a 100 year life of a future flood scheme. If wave action is considered in the study the potential benefits could be higher.	£351,341	5	155	2	2	2	School and ferry terminal potentially at risk	C1
Shetland	Flood Protection Study (4003010005)	Cunningsburgh (PVA 04/03)	Reduce disruptions to the A970 road, economic damages and risk to residential and non-residential properties in the Cunningsburgh area from river flooding. Objective ID: 400301.	The A970 is the key road linking the southern end of the mainland, including the airport at Sumburgh, to the rest of Shetland. Flooding in the Cunningsburgh area causes significant disruption to residents, commuters, and visitors. Therefore a study should be undertaken to assess direct defences upstream of the A970 on the Burn of Laxdale and Burn of Mail and improvements to the conveyance through the culverts underneath the road. Other actions may also be considered to develop the most sustainable range of options.	<£25,000		If protection works are taken forwards, they will benefit one residential property and one non-residential property, along with the A970 road (key road linking the southern end of the mainland, including the airport at Sumburgh, to the rest of Shetland). There is currently a low level of certainty in the baseline modelling; it is thought to underestimate the flood risk in the Cunningsburgh area based on the recent flood history. It is not possible to estimate the potential benefits of flood protection works at this stage; the potential benefits should be identified as part of the study.	£321,563	4	157	3	3	1	History of flooding to property and disruption of road between Lerwick and Sumburgh airport	C1

Description of the non-monetised scoring elements can be found in Paper 3 – Method (available via Huddle). It comprises a range of community and environmental criteria that are generally poorly represented within economic appraisal.



**Shetland Islands Council – Surface Water Management Objectives v2.0**

<b>LPD</b>	<b>Objective</b>	<b>Objective ID</b>	<b>Action Type</b>	<b>Action</b>	<b>PVAs</b>	<b>Action Description</b>	<b>Status and Timing</b>	<b>Local Authority</b>	<b>Comments</b>
4	Reduce economic damages and number of residential properties at risk from surface water flooding.	400305	SWMP	Scalloway covered by a surface water management plan	04/03	The area must be covered by a surface water management plan or plans that set objectives for the management of surface water flood risk and identify the most sustainable actions to achieve the objectives.	Ongoing. Recommended actions agreed by all partners identified by 2019.	Shetland Islands Council	
4	Reduce economic damages and number of residential properties at risk from surface water flooding.	400305	SWMP	Lerwick covered by a surface water management plan	04/03	The area must be covered by a surface water management plan or plans that set objectives for the management of surface water flood risk and identify the most sustainable actions to achieve the objectives.	Ongoing. Recommended actions agreed by all partners identified by 2019.	Shetland Islands Council	
4	Reduce economic damages and number of residential properties at risk from surface water flooding.	400305	SWMP	Cunningsburgh surface water management plan	04/03	The area must be covered by a surface water management plan or plans that set objectives for the management of surface water flood risk and identify the most sustainable actions to achieve the objectives.	Ongoing. Recommended actions agreed by all partners identified by 2019.	Shetland Islands Council	

## Surface water actions – supporting information

### FRM strategies will identify:

- Where SWMP required
- Where studies will be done to improve understanding of surface water flooding to support the SWMP process (LA or Scottish Water)
- Actions to be implemented that have been identified through the SWMP process (LA measures requiring Scot Gov funding and Scottish Water measures agreed through Q&S and any joint measures)

### LFRMP will:

- set out the timescales for the delivery of the above and who is responsible for implementing
- describe how functions will be coordinated to implement actions that relate to surface run-off water and urban drainage

### Surface water management plans

Surface water flooding by its nature is not likely to be solved over the short term with one or two large interventions as it tends to be more fragmented across an area and not from one single source as with rivers and the sea. Instead surface water management plans must set out a long term vision of how surface water flood risk will be managed and integrated drainage will be delivered then identify and plan the steps needed to achieve the vision. It is an ongoing planning process and should follow the FRM planning 6 year cycle (Figure 1).

Actions identified through the SWMP (including those SWMP areas supported by an ICS) need to be agreed by all partners. The actions may be:

- Scottish Water only
- Local authority only
- Scottish Water / LA Joint actions
- Decision must be made on how agreed actions are funded e.g. through LA or Scottish Water “operational” budgets or if actions need funded and prioritised nationally through Scottish Water Quality and Standards process (Q&S) or Flood Risk Management Strategies (FRMS).

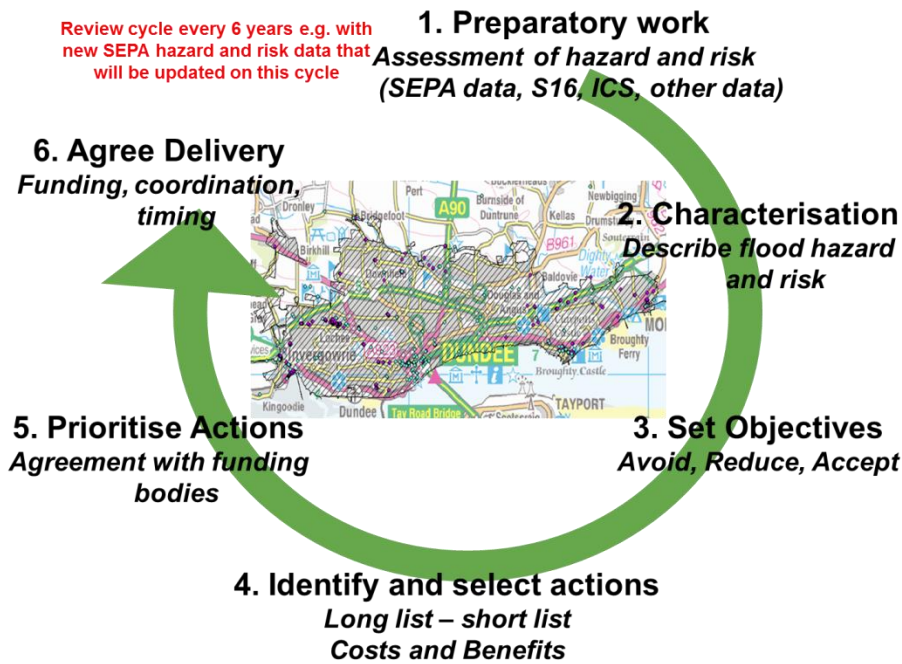


Figure 1. Surface water management plan cycle

#### Timing for agreeing actions in SWMPs (including those supported by an ICS) in time to input to Q&S and FRM Strategy prioritisation process and funding decisions

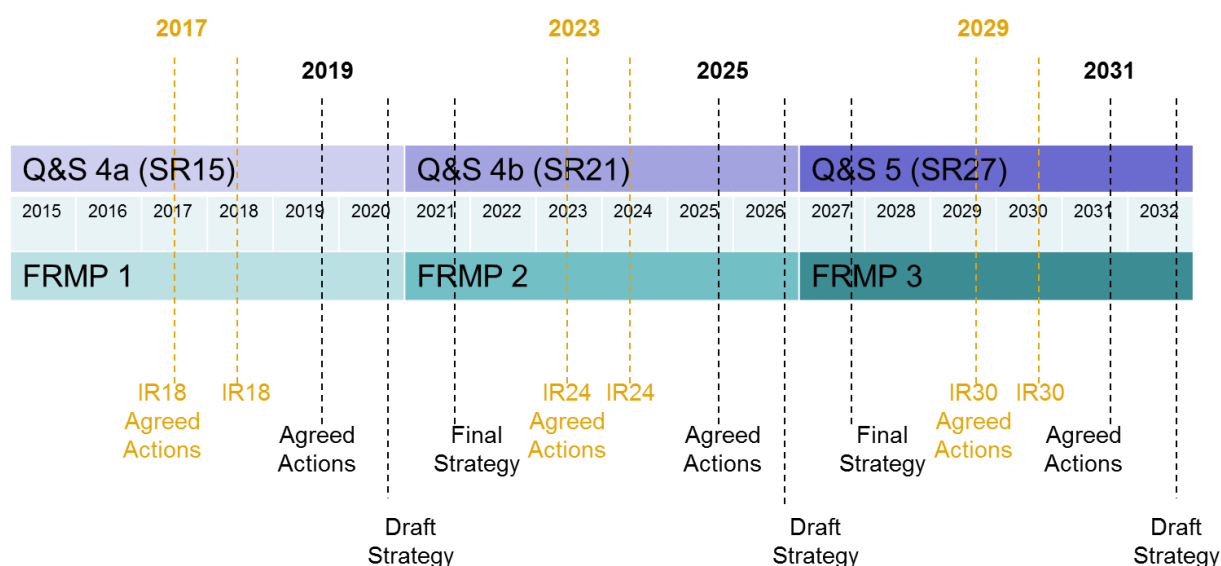
Current ICS and the SWMP areas they are within (i.e. Aberdeen, Dundee, Edinburgh, Falkirk, Ayr) have actions to be agreed by 2017. This reflects the ICS timescales for identifying actions (ICS optioneering stage) in time for Scottish Water investment in Interim Review 2018 (IR18).

All other SWMP areas have agreed actions by 2019 in time to input to the 2nd FRMP cycle and Scottish Water investment in Q&S 5.

Timescales for when Q&S 4 ICS will identify actions have still to be determined. The needs stage of the Q&S 4 ICS will be carried out between 2015-2021 and the optioneering phase for these ICS is still to be scheduled. But depending on timing may be in time for the 2nd or 3rd FRMP.

#### FRMP and Q&S timescales

The figure below shows timescales when agreed actions are required to input to the FRMS and Q&S prioritisation and funding processes (Figure 2).



**Figure 2. Dates for agreed actions to input to FRMS and Q&S process.**

**Black text** and dates indicate actions required in time to input to the consultation on the draft FRM strategy and also to input to Q&S process. Agreed actions required by 2019, 2025, 2031 etc.

**Orange text** and dates indicate actions require in time to input to Scottish Waters Interim Reviews where Scottish Water may have an opportunity to reviewing funding of Scottish Water agreed actions. Agreed actions required by 2017, 2023, 2029 etc

#### Note on ICS.

ICS will not replace the SWMP process, it is a study that will improve the understanding of surface water flood hazard, flood risk and surface water drainage and will support the SWMP process. They may provide a lot of information for the SWMP but it is expected that they will not provide all information that may be required in a SWMP. The FRM strategy will describe both where a SWMP is required and where an ICS will be supporting the SWMP and any measures identified from a SWMP:

- Where SWMP required
- Where studies will be done to improve understanding of surface water flooding to support the SWMP process (LA or Scottish Water)
- Actions to be implemented that have been identified through the SWMP process (LA measures requiring Scot Gov funding and Scottish Water measures agreed through Q&S and any joint measures)

#### Note on delivery of SWMP

It is up to the local authority to decide how to manage their SWMPs. The FRM strategies state that the area must be covered by a surface water management plan or plans. For example a local authority can therefore decide to have one SWMP covering their whole LA area that will include

their SWMP priority areas, or one SWMP for their SWMP priority area or many SWMPs covering their SWMP area. This management does not have to be described in the FRM Strategy but could be described in the LFRMP if required.

It is up to the local authority to decide how to deliver their SWMPs. For example a local authority may decide to deliver a SWMP in a variety of ways e.g. deliver it in conjunction with other flood studies or NFM studies. In this case the requirement for the SWMP should remain in the FRM strategies to maintain transparency and clarity of where the priorities for surface water management are. How the SWMP are delivered can then be described in the LFRMP if required.

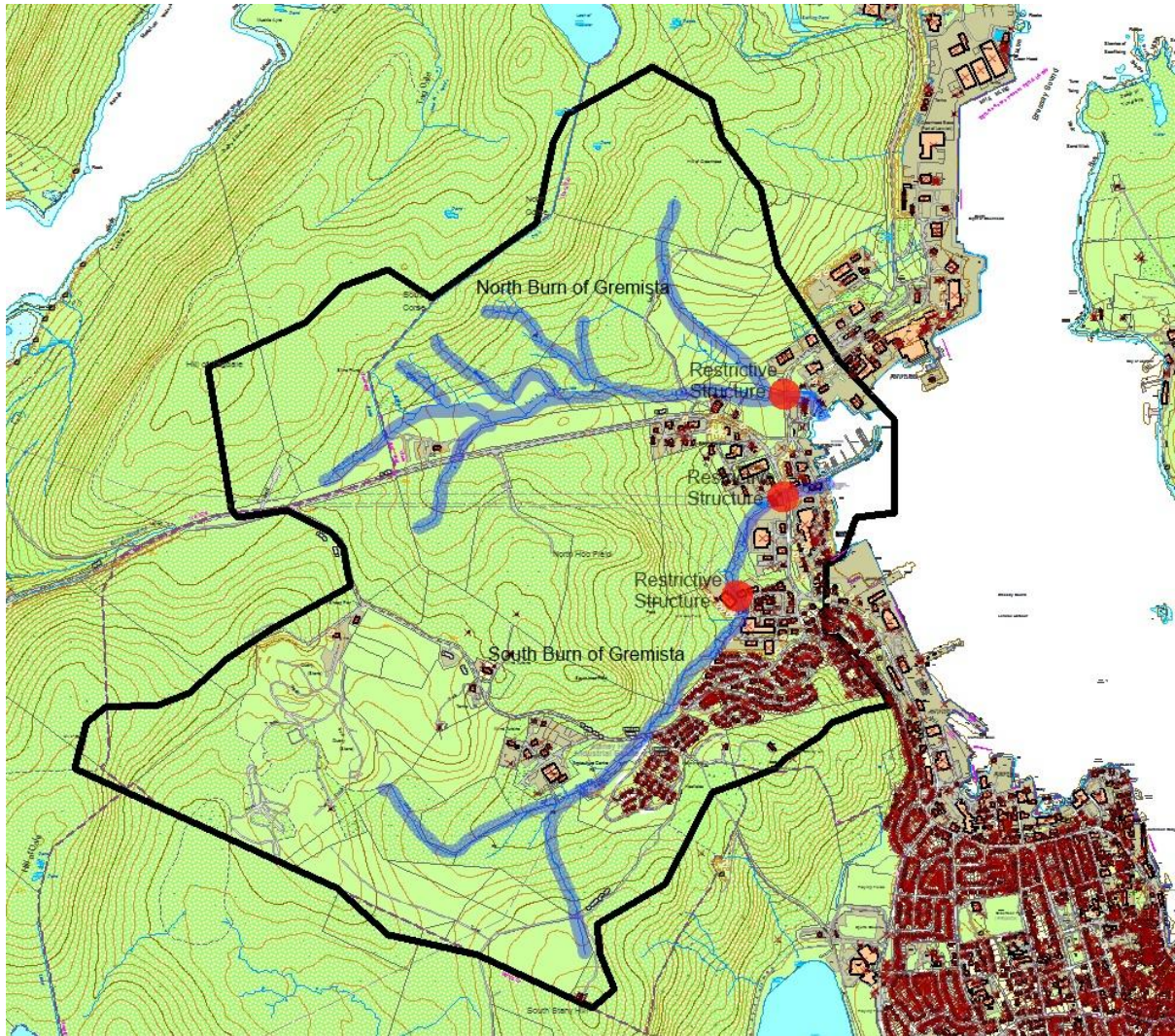




## Appendix 3

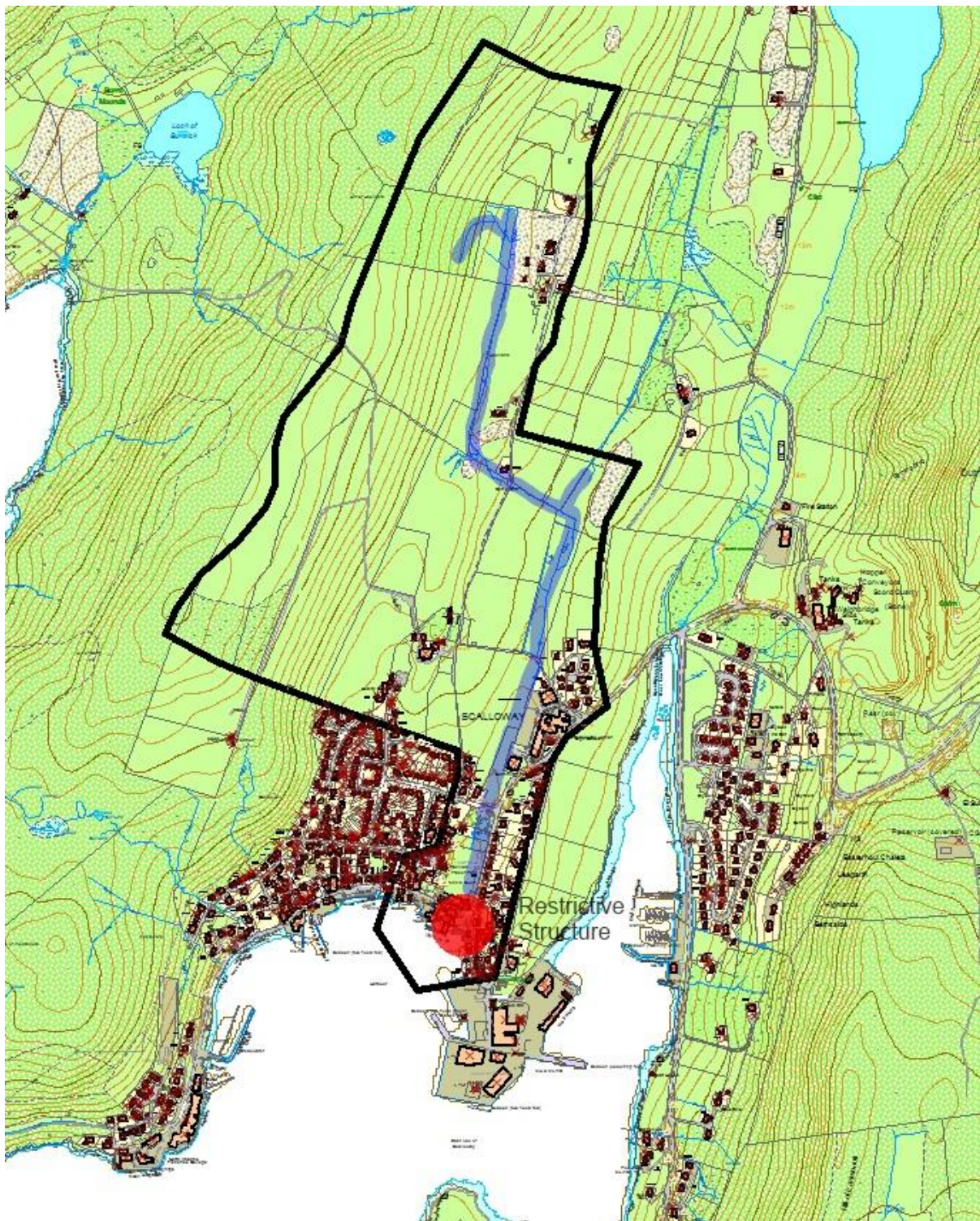
### Shetland Surface Water Management Plan priority areas

#### Lerwick



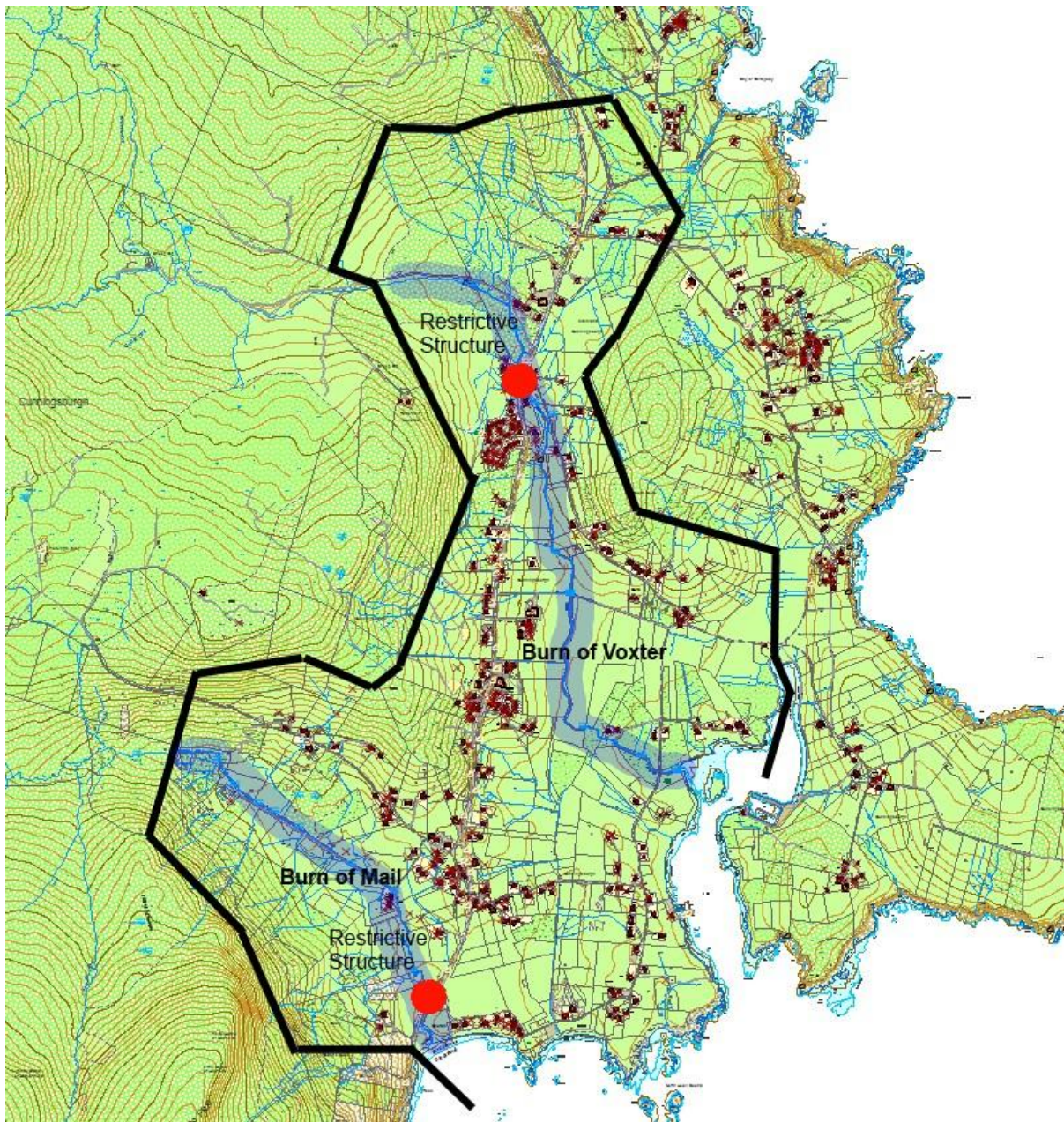


## Scalloway





## Cunningsburgh





**Development Committee****15 June 2015****Audit Scotland – Superfast Broadband for Scotland – A Progress Report****DV-38-15-F****Report Presented by  
Executive Manager – Economic Development****Economic Development  
Development Services Department****1.0 Summary**

- 1.1 This short report presents the Audit Scotland progress report on the Scottish Government's development of a modern superfast broadband network in Scotland (known as the BDUK project), attached as Appendix 1. The report has been prepared to help the Council to monitor actions resulting from external Auditors/Advisers reports, a policy that the Council adopted on 20 August 2014 (61/14). In this instance Audit Scotland have made some recommendations for the Scottish Government and HIE to consider.

**2.0 Decision Required**

- 2.1 That the Development Committee RESOLVE to note:
- 2.1.1 The key messages and recommendations contained in Audit Scotland's report, as shown in paragraph 4.2.
- 2.1.2 That appropriate action is being taken by the Council to make sure that Shetland benefits fully from the Scottish Government's modern superfast network, as detailed in paragraph 4.4.

**3.0 Background**

- 3.1 On 28 April 2015 the Council's Audit Committee considered the external reports that lead officers and Committees were tasked to engage with (08/15). Among these, the Executive Manager – Economic Development was tasked with preparing a report to this Committee on Audit Scotland's progress report on Superfast Broadband for Scotland.

## 4.0 Detail

4.1 Key messages are summarised on page 5 and key recommendations are summarised on page 6 of Appendix 1. The salient points are stated below.

### 4.2 Key Messages

- The ambition is for the network to have a capacity to deliver speeds of 40-80 Mb/s to 85-90% of premises in Scotland by March 2016, extending to over 95% of premises by the end of 2017.
- The contracts with BT do not guarantee speeds of 40-80 Mb/s to all users, and about 25% of premises may need to rely on further technological advances or new investment to get speeds of more than 24 Mb/s.
- At this stage it is not possible to state with certainty what broadband speeds the contractor will deliver.
- The combined cost of building and maintaining the network is £412 million, with the Scottish public sector contributing £165 million.
- Audit Scotland calculate that the Scottish Government will achieve its interim target to provide access to 85% of premises across Scotland by March 2016 but makes no comment on the larger and later target of 95% of premises by the end of 2017.

### 4.3 Key Recommendations

- The Scottish Government should improve ways of reporting the range of speeds its investment will deliver.
- The Scottish Government and HIE should encourage take up of superfast broadband to maximise the benefits of their investments and identify what further work is needed to realise these benefits.
- The Scottish Government and HIE should develop clear plans, by June 2015, for the planned investment of a further £42 million in superfast broadband, announced by the UK and Scottish Governments in February 2014.
- The Scottish Government and HIE should further develop their performance measurement frameworks.

### 4.4 Related Council Actions

- 4.4.1 The Council, through Shetland Telecom and its ICT service, engages fully with the BDUK projects to ensure that superfast broadband development is brought to as many telephone exchanges and communities as possible in Shetland.
- 4.4.2 Council staff meet regularly with HIE and BT to monitor progress on the BDUK project.

- 4.4.3 Any subsequent development of the superfast broadband network in Shetland that is needed after the completion of the BDUK project will be the subject of discussions between the Council, HIE, Community Broadband Scotland and BT.

## 5.0 Implications

### Strategic

- 5.1 Delivery on Corporate Priorities – Improved external engagement and sharing best practice are both elements of the Council's improvement plan.
- 5.2 Community/Stakeholder Issues – Consultation is continuing with HIE/BT and every opportunity is being sought to work cooperatively with the HIE BDUK project. Regular contacts are maintained with community groups in Yell, Unst as well as West Burrafirth, Fetlar and Vidlin.
- 5.3 Policy and/or Delegated Authority – The Council's Constitution – Part C - Scheme of Administration and Delegations provides in its terms of reference for Functional Committees (2.3.1 (2)) that they;
- “Monitor and review achievement of key outcomes in the Service Plans within their functional area by ensuring –
- (a) Appropriate performance measures are in place, and to monitor the relevant Planning and Performance Management Framework.
  - (b) Best value in the use of resources to achieve these key outcomes is met within a performance culture of continuous improvement and customer focus.”
- 5.4 Risk Management – Failure to deliver effective external engagement and learn from best practice elsewhere increases the risk of the Council working inefficiently.
- 5.5 Equalities, Health and Human Rights – None.
- 5.6 Environmental – None.

### Resources

- 5.7 Financial – No direct implications.
- 5.8 Legal – No direct implications.
- 5.9 Human Resources – No direct implications.
- 5.10 Assets and Property – No direct implications.

## 6.0 Conclusions

- 6.1 This report brings Audit Scotland's progress report on Superfast Broadband for Scotland to the attention of the Development Committee so that Members can be aware of future actions required by the Scottish Government and HIE.

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8 June 2015

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### List of Appendices

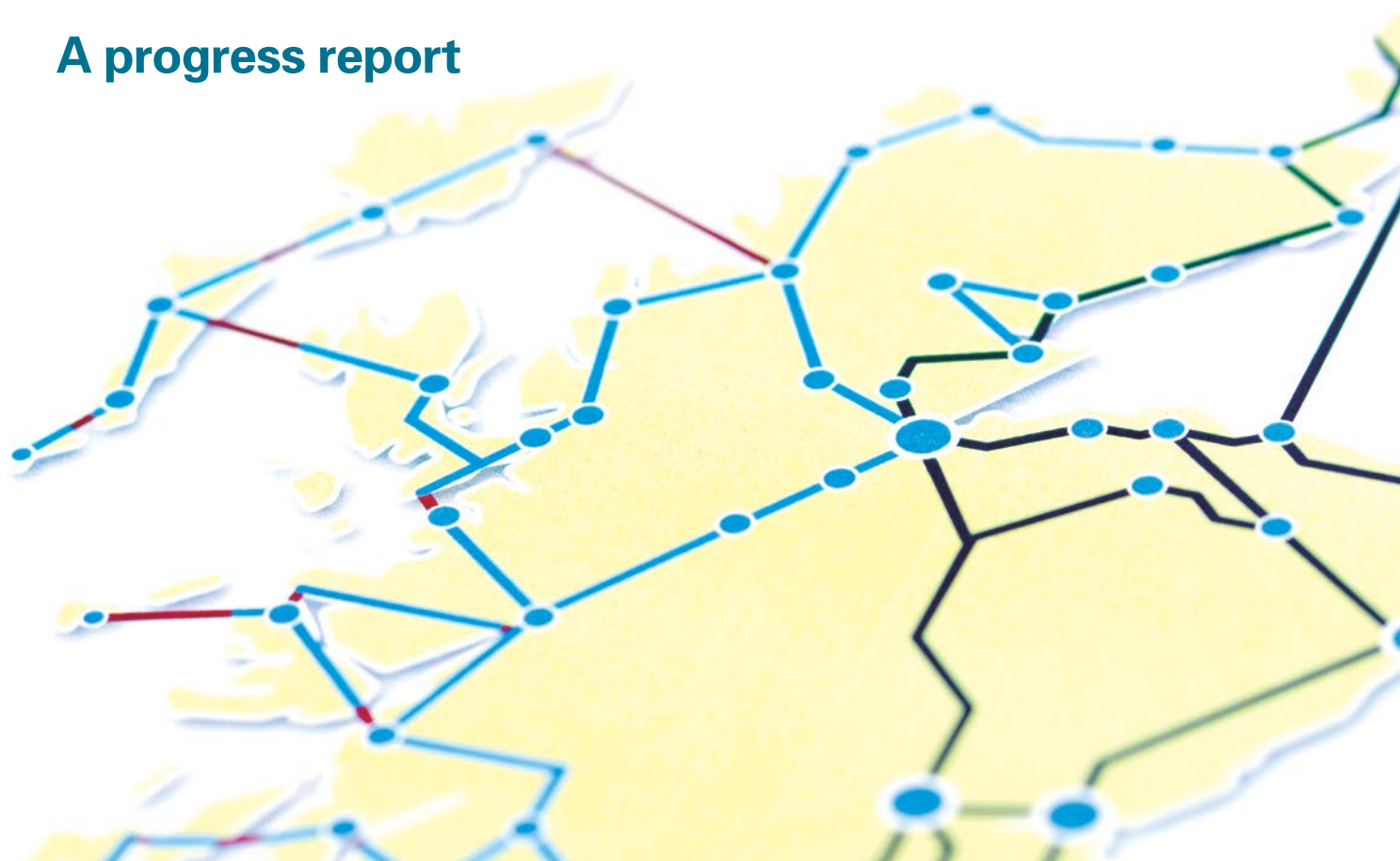
- Appendix 1     Audit Scotland – Superfast Broadband for Scotland – A Progress Report

END



# Superfast broadband for Scotland

A progress report



 AUDITOR GENERAL

Prepared by Audit Scotland  
February 2015

# Auditor General for Scotland

The Auditor General's role is to:

- appoint auditors to Scotland's central government and NHS bodies
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- check whether they achieve value for money.

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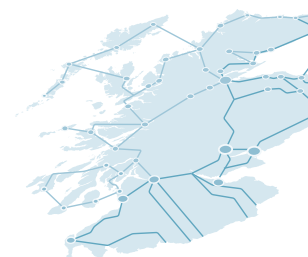
- directorates of the Scottish Government
- government agencies, eg the Scottish Prison Service, Historic Scotland
- NHS bodies
- further education colleges
- Scottish Water
- NDPBs and others, eg Scottish Police Authority, Scottish Fire and Rescue Service.

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## Cover image

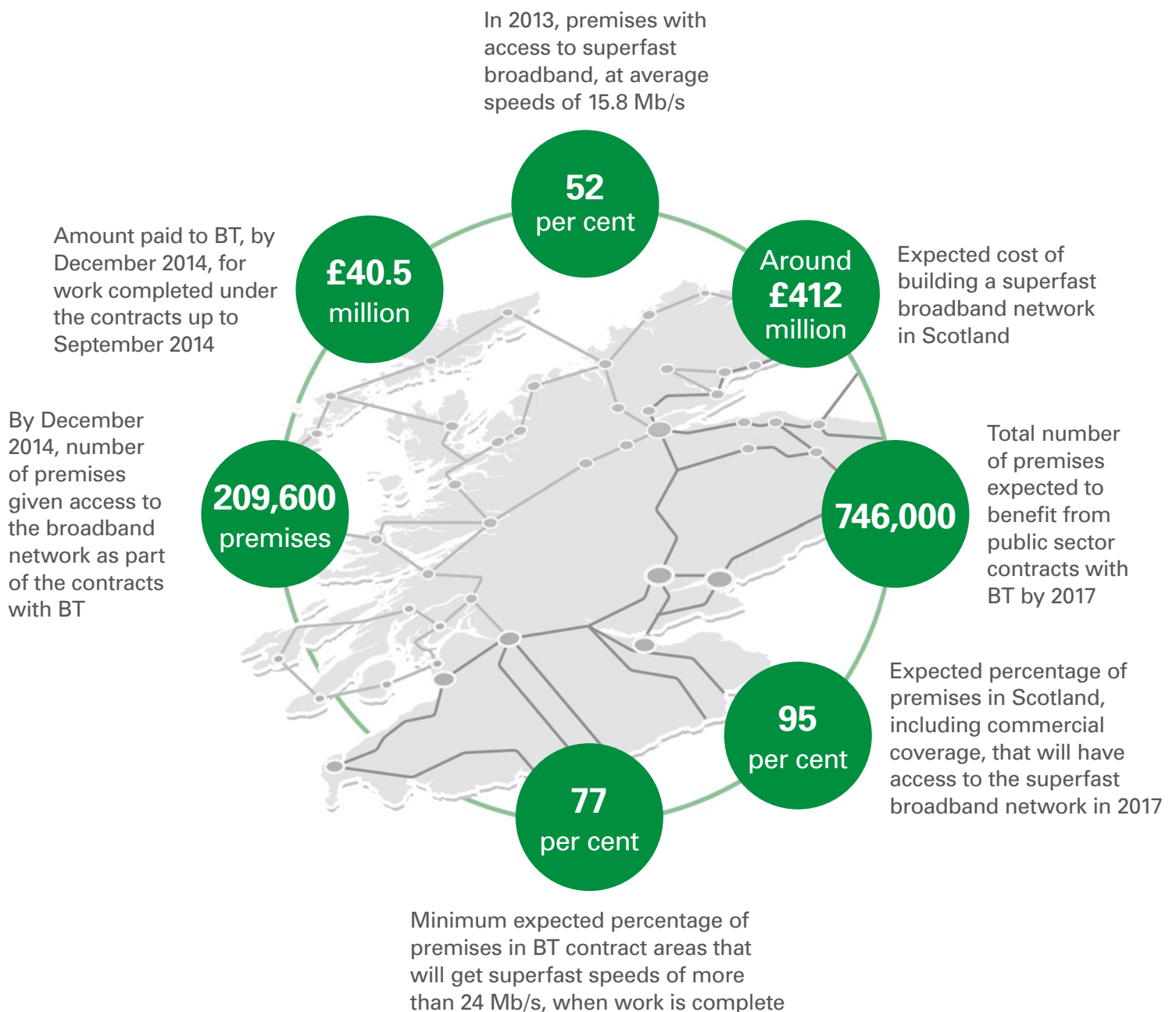
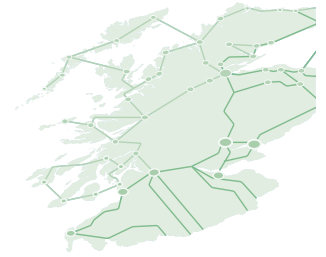
The map shows the broadband network across Scotland. Black lines show the existing network; blue and red show the network being built.



## Exhibit data

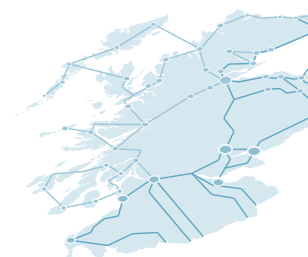
When viewing this report online, you can access background data by clicking on the graph icon. The data file will open in a new window.

# Key facts



Note: Megabits per second (Mb/s) refers to the amount of information transferred through the broadband connection in a second. This is sometimes referred to as the download or upload speed.

# Summary



## Key messages

- 1 The Scottish Government's ambition is to develop a superfast broadband infrastructure network with the capacity to deliver speeds of 40–80 Mb/s to 85–90 per cent of premises in Scotland by March 2016, and to extend this to over 95 per cent by the end of 2017. British Telecommunications plc (BT) is responsible for installing the infrastructure through two contracts (the Highlands and islands contract and the rest of Scotland contract). The contracts do not guarantee speeds of 40–80 Mb/s to all users, and about a quarter of premises may need to rely on further technological advances or new investment to get speeds of more than 24 Mb/s. Because detailed roll-out plans are reliant on the completion of survey work, the Scottish Government and Highlands and Islands Enterprise (HIE) cannot yet state with certainty what broadband speeds they expect their contracts with BT to ultimately deliver.
- 2 The combined cost of building and maintaining the network as set out in the contracts with BT is £412 million, with the Scottish public sector contributing £165 million of this. BT was the only final bidder for each contract. The two project teams used a variety of approaches to obtain assurance that BT's bids offered value for money, such as benchmarking with other UK broadband projects. According to benchmarking, the rest of Scotland contract costs are in line with those of other UK broadband projects, while costs in the Highlands and islands are higher. It is difficult to conclude whether the Scottish contracts represent value for money because BT is also the sole contractor for all other UK broadband projects.
- 3 Based on progress to December 2014, and assuming that BT delivers only its contractual targets from December 2014 to March 2016, we calculate that the Scottish Government will achieve its interim target to provide access to 85 per cent of premises across Scotland by March 2016. So far, BT has exceeded its contractual targets to provide access to the broadband network by 57,000 premises, although it is about 14,000 premises short of where it expected to be against its original implementation plans.
- 4 Arrangements for scrutinising BT's progress against the contracts are good. The procedures are complex, which increases the risk that, as workloads increase in the future, project teams may not be able to manage in busier periods. The Scottish Government and HIE have still to fully develop plans to measure the wider benefits of their broadband investment.

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**the Scottish public sector is spending £165 million to develop a superfast broadband network in Scotland**

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## Key recommendations

### The Scottish Government should:

- improve ways of reporting the range of speeds its investment will deliver and, in particular, seek to report publicly what its contracts with BT for superfast broadband are expected to deliver in terms of coverage and speed, by each of:
  - the interim target date (March 2016)
  - December 2016 and December 2017 (when the Highlands and islands and rest of Scotland contracts are due to complete)
  - December 2020 (the date when the Scottish Government expects superfast broadband to be universally available).

### The Scottish Government and HIE should:

- encourage take-up of superfast broadband to maximise the benefits of their investments and identify what further work is needed to realise these benefits
- develop clear plans, by June 2015, for the planned investment of a further £42 million in superfast broadband, announced by the UK and Scottish Governments in February 2014. These plans should strike an appropriate balance between extending coverage in areas where there is no access to superfast broadband, and increasing speeds in premises with low speeds. The plans should also:
  - take account of the costs and value of extending coverage to the 132,000 premises in the most remote parts of Scotland that will either not be covered by the current superfast broadband contract arrangements or where BT is unable to say if they will be included
  - consider the costs and value of improving speeds to those premises not expected to get maximum speeds of more than 24 Mb/s
  - assess the technological challenges associated with both increasing speeds and extending coverage, and how these might be overcome
  - use the above information to set clear priorities and a timetable for further investment in superfast broadband
  - include an assessment of how the existing investment can best be used to help contribute towards meeting the EU aspiration of 50 per cent uptake of ultrafast broadband (speeds faster than 100 Mb/s) by households in Europe
  - identify communities excluded from the current BT contracts, so that these communities can make an informed choice to consider other options.
- review work programmes and payment profiles and make any changes necessary to ensure that payment is closely linked to successfully achieving the agreed targets

- keep staffing levels and workloads under review and alter the skills mix and number of staff when needed, to ensure that project teams are able to fulfil their contract management and monitoring roles well
  - further develop their performance measurement frameworks, by including measures that address speeds delivered, the unit cost of providing access to superfast broadband to each premise and levels of take-up, as well as measures that allow benchmarking with other countries' implementation of superfast broadband. Both bodies should report publicly on these measures each year.
- 

## Introduction

**1.** The Internet is now regarded as an everyday necessity. It enables businesses to develop and compete internationally. It helps people to learn and improve their skills, and provides access to online services so that, for example, they can pay their council tax or register to vote. The Internet can also help reach and widen opportunities for people unable to access services and information in other ways, because of where they live or because they face other barriers, such as being in poor health. Broadband is the means by which people access everyday Internet services. Unlike earlier generation dial-up connection services, broadband is high speed and always-on.

**2.** In June 2013, Ofcom reported that 52 per cent of premises in Scotland had access to superfast broadband. While access to superfast broadband in Scotland is growing – in 2012, the equivalent figure was 45 per cent – it is behind many other parts of the UK. Overall, across the UK, 73 per cent of premises were in areas with access to superfast broadband in 2013. Comparative figures for the other countries of the United Kingdom in 2013 were:

- 95 per cent access to superfast broadband in Northern Ireland
- 76 per cent access to superfast broadband in England
- 48 per cent access to superfast broadband in Wales.<sup>1</sup>

**3.** There is no agreed definition of what speed is 'superfast', although the Scottish Government's aim is to ultimately provide speeds of 40–80 Mb/s. In comparison, the UK Government's rural broadband programme now aims to provide access to Internet speeds of more than 24 Mb/s to 95 per cent of premises by 2017. The European Commission's ambition is for all member states to provide access to speeds in excess of 30 Mb/s by 2020, with 50 per cent of European households subscribing to ultrafast speeds of more than 100 Mb/s. Other countries are more ambitious: Germany aims to provide speeds of 50 Mb/s to all households by 2018, while Sweden aims to provide access to speeds of 100 Mb/s to 40 per cent of premises by 2015, and 90 per cent by 2020.<sup>2</sup>

## Creating a superfast broadband network in Scotland

**4.** The Scottish Government set out its aim, in January 2012, to establish a network making broadband speeds of 40–80 Mb/s available to 85–90 per cent of premises across Scotland by 2015, and universally available by 2020. The Scottish Government considered that a range of factors would affect the actual speed received at individual



premises, and outlined that the 40–80 Mb/s target was intended to signal the extent of the change required, rather than being regarded as a precise measure.<sup>3</sup>

**5.** The policy intent of the broadband programme is to address the digital divide by providing more even access to superfast broadband across Scotland. The Scottish Government intends to use public money to bridge the gap between what commercial operators will provide and its policy ambitions. For example, HIE has estimated that, without public sector intervention, only 21 per cent of premises in the Highlands and islands could expect to receive access to a broadband network. Some council areas in the Highlands and islands would not have access to superfast broadband at all.

**6.** In May 2012, the Scottish Government restated its objective, outlining that the network built would have the 'capacity to deliver' speeds of at least 40 Mb/s to 85–90 per cent of premises by 2015.<sup>4</sup> In practice, this means that the network BT is building across Scotland will not provide superfast speeds to all premises. It will provide a backbone which BT, the Scottish Government and HIE believe can be upgraded later, to provide speeds of at least 40 Mb/s. The Scottish Government and HIE expect that the network they are currently building will:

- provide speeds of more than 40 Mb/s to some premises
- improve the broadband speeds that other premises get, although they will not get speeds as fast as 40 Mb/s
- provide broadband, albeit at low speeds in some instances, to premises that do not currently have broadband at all.

In this report we refer to the network that BT is building as a 'superfast broadband network' to distinguish it from the network that was previously available.

**7.** In 2013 the Scottish Government and HIE separately appointed BT to build the superfast broadband network across Scotland at a cost of £412 million, to cover the cost of building, operating and maintaining the network over an 11-year period. The public sector is providing £286 million (69 per cent) of the funding. The Scottish public sector will provide £165 million (40 per cent), with other contributors being the UK Government, through Broadband Delivery UK (BDUK), the European Union (EU) and BT.

**8.** Although the public sector is mainly funding the broadband infrastructure being built, BT will ultimately own the network and will be responsible for maintaining it beyond the end of the contracts. BT will generate income from its investment in Scotland by selling access to Internet service providers so that they can offer superfast broadband to households in Scotland.<sup>5</sup>

**9.** The Scottish Government has a number of other projects in place to help expand broadband coverage beyond what BT is expected to deliver. However, it does not yet have detailed plans to achieve its vision of universal availability by 2020. Key steps taken so far include:

- Establishing Community Broadband Scotland (CBS) to manage a £6.2 million start-up fund to bring broadband to remote communities. This will require CBS to target its funding at those communities that are not included in BT's work.



- Earmarking at least £42 million of additional investment to extend coverage of the superfast broadband infrastructure in Scotland and/or boost speeds. The Scottish Government, BDUK and HIE are still discussing how the additional funding will be used.
- Asking the Scottish Futures Trust (SFT) to help develop a plan to achieve a world-class 2020 digital infrastructure. SFT will look at the requirements of a world-class infrastructure and possible funding approaches.
- Setting up a number of other programmes such as support for the Business Excellence Partnership, to develop programmes that help businesses to adopt digital technology; introducing a skills investment plan for the digital/ICT sector; and funding the Scottish Council for Voluntary Organisations' (SCVO) work to support its efforts to get people online.

## How superfast broadband reaches users

**10.** Devices such as computers and mobile phones send and receive information through channels within the Internet connection. Broadband speeds depend on the type of connection to the Internet and the number of channels used to connect to the Internet. The more channels the connection has, the faster information is transferred. Fibre optic cables provide the fastest Internet connections but laying new cables is more expensive than reusing existing copper wiring to link to the Internet. Fibre also gives better speeds than copper as it does not slow down over long distances, or as more people use the service.

**11.** BT's contracts suggest it will use a combination of fibre optic cables, existing copper wiring and, to a lesser extent, satellite to establish the broadband network. BT cannot say definitively how much of the network will be built using each technology, as it is aiming to balance coverage and speed and will determine this through ongoing survey work. Both contracts work on the principle of installing a fibre network where possible:

- A large proportion of the network BT is building for the Scottish Government and HIE will use fibre cables that link exchanges to a network of existing and new locations (known as cabinets) that are close to homes and businesses. Existing copper wires then provide the final connection to premises. This is known as fibre to the cabinet (FTTC).
- A smaller proportion of premises will receive fibre all the way, known as fibre to the premise (FTTP). FTTP is generally used in less densely populated areas where it is not cost effective to build a cabinet.
- BT is trialling fibre to the remote node (FTTRN) in England. This involves attaching small electronic boxes to existing overhead or underground infrastructure to help provide better coverage in remote areas. If the trials are successful, and approved for use by BDUK, then BT may use the technology to extend the network in Scotland.
- In some areas, because of the terrain and cost, it will not be possible to use either FTTC or FTTP. Depending on its affordability, BT expects to use satellite to make basic broadband (up to 2 Mb/s) available to some properties in these areas ([Exhibit 1, page 10](#)).



**12.** In the Highlands and islands, BT needs to first create a ‘backhaul network’ to bring broadband from the core out to exchanges and other handover points across the area. This involves laying 20 subsea cables and 800 km of land cables across the Highlands and islands. Commercial providers have already built most of the backhaul network that covers the rest of Scotland. The need to build a significant backhaul network is a unique feature of HIE’s contract with BT. Our report cover shows the existing and new backhaul network.

## About the audit

**13.** This audit assesses whether the Scottish Government and HIE have clear plans and arrangements in place to build their superfast broadband network in Scotland. It looks at:

- the targets, aims and objectives of the Scottish Government’s investment programme in superfast broadband
- the procurement and subsequent contract management of the two projects (in the Highlands and islands and the rest of Scotland)
- what has been delivered to date and what else is needed to realise the Scottish Government’s world-class vision by 2020.

**14.** During our audit we:

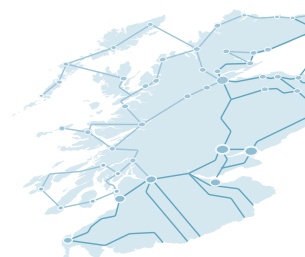
- reviewed documents such as Scottish Government strategies, project business cases, tender evaluations, implementation plans and relevant progress reports and papers
- interviewed representatives from the project teams in the Scottish Government and HIE, and other stakeholders such as BT
- interviewed representatives from partner organisations and interest groups such as councils, the Convention of Scottish Local Authorities (COSLA), BDUK, SFT, the Carnegie UK Trust and the SCVO
- liaised throughout the project with other stakeholders including Ofcom, the Wales Audit Office and the National Audit Office, and used benchmarking data from their work where appropriate
- a detailed methodology is in [Appendix 1](#). [Appendix 2](#) lists members of our project advisory group, who gave advice and feedback at important stages of the audit.

**15.** This report has two parts:

- [Part 1](#) looks at the development of the superfast broadband network in Scotland.
- [Part 2](#) examines the progress made in delivering superfast broadband in Scotland.

# Part 1

## Developing a superfast broadband network



### Key messages

- 1** The Scottish Government set out a timetable to make superfast broadband available across all of Scotland by 2020. It set interim targets to provide an infrastructure that ultimately could provide superfast broadband (at speeds of 40–80 Mb/s) to 85–90 per cent of premises by March 2016.
- 2** The Scottish Government and HIE appointed BT using two separate contracts to develop the infrastructure that people need to get superfast broadband. When the work is complete in December 2017, the Scottish Government and HIE expect that at least 95 per cent (2.5 million) of premises in Scotland will be covered by the superfast broadband network. This includes at least 746,000 premises covered by the BT contracts, as well as 1.73 million premises covered by commercial providers.
- 3** The contracts with BT do not guarantee that all premises will get target speeds of 40–80 Mb/s. About three-quarters of the premises in the areas covered by the contracts can expect to receive access to maximum speeds of more than 24 Mb/s. The remaining 23 per cent of premises may need to rely on technological advances or further investment before being able to get superfast broadband speeds. Because detailed roll-out plans are reliant on the completion of survey work, the Scottish Government and HIE cannot yet state with certainty what broadband speeds the contracts with BT will ultimately deliver.
- 4** The total cost of the work associated with the contracts is £412 million, including the Scottish public sector's spend of £165 million and BT's ongoing operating and maintenance costs. The Scottish public sector is contributing 40 per cent of total costs. Final total spend will not be known until 2025.
- 5** BT was the only final bidder in each area. Project teams used a variety of approaches to obtain assurance that BT's bids offered value for money, such as benchmarking with other UK broadband projects. According to benchmarking, the rest of Scotland contract costs are in line with those of other UK broadband projects, while costs in the Highlands and islands are higher. Because BT is the sole contractor for the other UK broadband projects, it is difficult to conclude from this whether the Scottish contracts represent value for money.

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three-quarters of premises will get access to broadband speeds of 40–80 Mb/s through the contracts with BT

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## **The Scottish Government set out a timetable to deliver superfast broadband in Scotland by 2020 but it is not clear what speeds will be delivered**

**16.** In 2009, HIE started planning to introduce superfast broadband across the Highlands and islands, when it first sought consultants' advice on the costs and benefits of establishing a network that would extend coverage beyond the 21 per cent of premises that commercial operators were expected to provide. A year later, the Scottish Government published *Digital ambition for Scotland* setting out its timetable for introducing superfast broadband across Scotland. This was followed, in March 2011, by the Scottish Government's digital strategy, to create what it has termed a world-class digital Scotland.<sup>6</sup> The vision is to offer connectivity anywhere, anytime and through any device, in a country where people and businesses are able to make the most of this connectivity. The strategy set out four programmes to build a world-class digital Scotland. These were to:

- deliver digital public services, by finding new and improved ways for people to do things online
- promote a digital economy, by providing skills and helping business to adopt digital technology
- encourage digital participation, by making broadband affordable and encouraging and helping people to use it
- build digital connectivity: that is, ensuring the infrastructure is in place to enable people to go online anytime, anywhere, using any device.

**17.** The Scottish Government outlined how it would deliver the fourth programme, to build digital connectivity, in its digital infrastructure action plan, published in January 2012.<sup>7</sup> The action plan set three specific milestones for the programme:

- to deliver a world-class, future-proofed digital infrastructure across the whole of Scotland by 2020
- to make superfast broadband (at speeds of 40–80 Mb/s) available to 85–90 per cent of premises by 2015
- to extend the reach further and deliver the best possible speeds for those where delivery of 40–80 Mb/s is not possible.

**18.** In May 2012, the Scottish Government published its digital infrastructure procurement plan.<sup>8</sup> This provided an update on progress in creating a superfast broadband network in the Highlands and islands, and set out how the Scottish Government would identify a supplier for the rest of Scotland area. The plan restated the Scottish Government's position on what broadband speeds it expected from the new network, by recognising that not all premises in Scotland will immediately be able to receive speeds of 40–80 Mb/s when the superfast network is installed. The procurement plan stated that:

'The core requirement of this procurement is to invest in infrastructure that will have the capacity to deliver speeds of 40–80 Mb/s for between 85–90 per cent of premises, with a significant uplift in speeds for those where delivery of 40–80 Mb/s is not possible at this stage, including those areas where there is currently no level of service.'

**19.** Because there is likely to be a variation in the speeds that individual premises receive, the Scottish Government has not detailed what speeds it expects the BT contracts to deliver. For example in a statement to the Scottish Parliament's Infrastructure and Investment Committee in June 2013, when the rest of Scotland contract was still to be signed, the then Cabinet Secretary for Infrastructure, Investment and Cities said 'the ambition.... is to give 85–90 per cent of households across Scotland speeds of between 40–80 Mb/s'. In the June 2014 briefing to the committee, the then Cabinet Secretary stated 'We remain focused on achieving our target of 85 per cent of premises with access to fibre broadband by 2015-16 and 95 per cent by 2017-18' without referring to what speeds might be delivered.

**20.** The June 2014 statement is the first public reference to the financial year as the target date for achieving the Scottish Government's aim. Previous public documents and the Scottish Government's Digital Scotland website refer to 2015, implying the interim target date is December 2015. The Scottish Government's contract with BT is phased to achieve the interim target in March 2016. Because of this, [Part 2](#) of this report measures progress against the interim target using this date.

### **The Scottish Government and HIE have separate contracts with BT to build the superfast broadband infrastructure**

**21.** There are two contracts in place to build the superfast broadband infrastructure:

- HIE signed the Highlands and islands contract with BT in March 2013. Geographically, the contract covers the three island councils (Orkney and Shetland Island Councils and Comhairle nan Eilean Siar), Highland and Moray Councils, and parts of North Ayrshire and Argyll and Bute. HIE expects to complete the work to install its superfast broadband network over four years, by December 2016.
- The Scottish Government signed the rest of Scotland contract with BT in July 2013. Work under this contract is due to finish in just under five years, by December 2017, and covers the remaining council areas.

**22.** Two separate contracts were developed because HIE had already started work to introduce superfast broadband in the Highlands and islands before the Scottish Government published its *Digital ambition for Scotland*. As a result, in December 2012, when the Scottish Government started its procurement process for a superfast broadband infrastructure in the rest of Scotland, HIE was already close to signing its contract with BT.

**23.** The Scottish Government worked with councils to agree a single contract for the rest of Scotland area because it considered this approach would benefit from lower costs due to economies of scale. It considered establishing a single contract for the whole of Scotland but decided against this because:

- HIE was at an advanced stage in its procurement discussions, so negotiating a single contract could have delayed completion of both projects
- both projects are already large and complex with different challenges, so an even larger project might have proven unmanageable.

**24.** There are significant differences between the two contracts. For example, they have different start and end dates, and the two bodies have different arrangements for marketing the advantages of superfast broadband once the work is complete. We highlight other differences throughout the report and summarise them in [Appendix 3](#).

**25.** Both contracts contain two sets of targets, which we refer to as the 'contractual target' and the 'implementation plan target':

- The contractual target is the minimum number of premises that BT must provide with access to the superfast broadband network each quarter to be paid for the work it does.
- The implementation plan target represents BT's assessment of what it aims to deliver each quarter.

**26.** The number of premises that BT is expected to provide with access to superfast broadband each quarter under the implementation plan is greater than the contractual target because it includes a 'buffer' of premises that do not count towards the contractual target. For example, BT may provide superfast broadband access to some premises classified as urban as part of its work to reach nearby rural premises. Because of state aid rules ([paragraph 29](#)), BT cannot count these urban premises towards its contractual target, and the public sector will not pay for this type of work.

**27.** For Scotland as a whole, the contractual targets require BT to provide access to about 84 per cent of premises by March 2016. Coverage will be higher in the rest of Scotland area than the Highlands and islands:

- The contractual targets for the rest of Scotland require BT to provide access to the broadband network to about 355,000 premises by March 2016. Once commercial provision is included, this equates to 86 per cent of premises in the rest of Scotland area.
- In the Highlands and islands, the contractual targets require BT to provide access to about 109,000 premises by March 2016. Once commercial provision is included, this equates to 65 per cent of premises respectively.

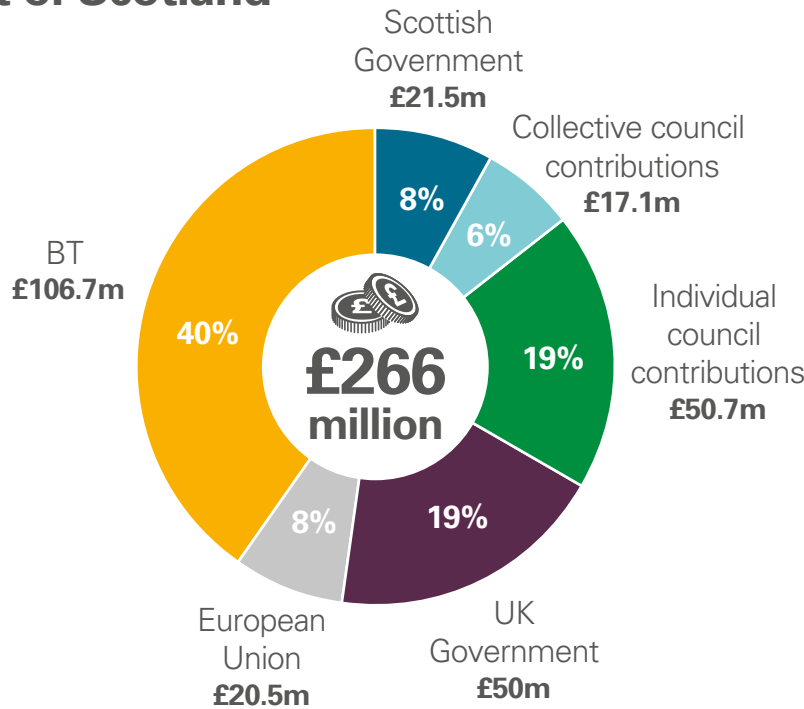
### **The Scottish public sector will contribute £165 million towards the likely total contract cost of about £412 million**

**28.** The two contracts have a combined value of about £412 million over the 11-year period from 2013 to 2025. The Scottish public sector, the EU and UK Government will spend £286 million on building the network over the first five years of the contract. BT is investing £126 million over the lifetime of the contracts. This comprises £47 million of capital costs in the first five years and £79 million for the operation and maintenance costs associated with the network for an 11-year period. At least £146 million is expected to be invested in the Highlands and islands (35 per cent), and about £266 million (65 per cent) in the rest of Scotland ([Exhibit 2, page 16](#)). The final amount to be invested in each area will not be known until 2024 in the Highlands and islands and 2025 in the rest of Scotland, as there are clauses in the contracts designed to promote take-up and generate additional funds for reinvestment ([paragraph 42](#)).

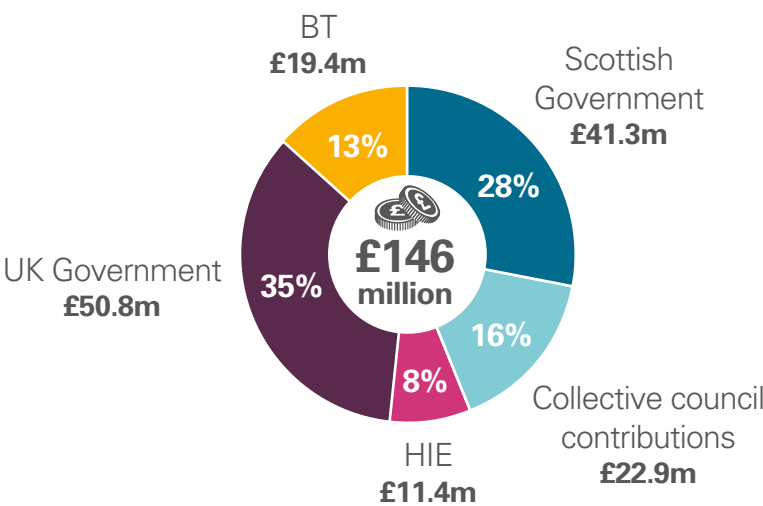
**Exhibit 2**

**Funding of superfast broadband in Scotland by source and project**  
The Scottish public sector is contributing £165 million over a five-year build period towards total contract costs of about £412 million.

**Rest of Scotland**



**Highlands and islands**



Note: Figures include a £16 million innovation fund and £2.2 million allocated for 'demand stimulation' work to encourage people to make use of broadband in the rest of Scotland contract. The Scottish Government has not formally apportioned the collective council contributions and its own funding across the two projects.

Source: Scottish Government and Highland and Islands Enterprise



**29.** The public sector's financial contribution to the superfast broadband projects has to comply with EU regulations governing the provision of state aid. These effectively allow member states to intervene in the free market only where there is an economic necessity. In practice, the rules typically limit public sector investment in superfast broadband to rural areas where the private sector had no plans to install broadband before 2015.

### The total Scottish public sector contribution is expected to be £165 million

**30.** The Scottish Government is the largest single Scottish public sector contributor to the new superfast broadband network. It plans to contribute £21.5 million to the rest of Scotland contract and £41.3 million to the Highlands and islands. HIE will also provide £11.4 million to the Highlands and islands contract. The Scottish Government's funding for the rest of Scotland includes £2.2 million for BT to market the benefits of superfast broadband and stimulate demand for it. HIE will undertake demand stimulation work in its own area by linking this with other development activities. By promoting broadband as it becomes available, this is expected to result in an income flow that the Scottish Government and HIE can use to reinvest in the network ([paragraph 42](#)).

**31.** The rest of Scotland contract includes a £13.5 million 'innovation' fund. to be used as deployment progresses and survey work confirms the best approach. The Scottish Government may use this money as a contingency if expected EU funding is not realised in full ([paragraphs 35–38](#)). If not required for this purpose, the Scottish Government and BT plan to use the money to improve coverage or speeds in the rest of Scotland area. The Highlands and islands contract also includes an innovation fund of £2.5 million which aims, subject to state aid requirements, to extend broadband coverage.

**32.** As a result of UK government spend in councils in England, it announced, in February 2012, that Scottish councils would receive additional funding of £40 million through the Barnett funding mechanism.<sup>9</sup> The Scottish Government agreed with COSLA to keep this money centrally and invest it collectively in the superfast broadband network, rather than distribute it to individual Scottish councils. The Scottish Government expects that £17.1 million of this funding will be invested in the rest of Scotland, and £22.9 million in the Highlands and islands. COSLA asked the Scottish Government to ensure that the additional funding would provide at least 75 per cent of premises in each council area with access to superfast broadband.

**33.** In addition, 14 of the 27 councils in the rest of Scotland are also investing a total of £50.7 million to bring superfast broadband to more premises in their areas. Individual councils made this investment where it was in line with their local economic development plans. Each council agreed to a reduction in the Scottish Government grants it will receive over the next two or three financial years, to pay for the additional broadband coverage.



Additional contribution by council

**34.** In return for their financial contributions, some councils specified priority areas, such as industrial estates, to receive broadband access. The agreements between the Scottish Government and each council did not specify either an absolute level of coverage, or what broadband speeds will be provided through this additional council funding because BT did not know what was possible at the time. The Scottish Government kept councils informed of likely coverage in their areas as more information became available during the procurement and contracting phases.

### **The Scottish Government applied for £20.5 million of European Regional Development Funding but will not claim this in full**

**35.** The Scottish Government planned originally to use £20.5 million funding from the European Regional Development Fund (ERDF) for the rest of Scotland project. Although the EU is still to formally approve the Scottish Government's application, it has indicated that any funding it provides:

- must be spent on work completed before December 2015
- can be claimed only where it has been used to connect small and medium-sized enterprises in remote, rural areas.<sup>10</sup>

**36.** The Scottish Government was aware, when developing its plans for the rest of Scotland, that the EU's conditions for using ERDF funding brought risks, in that:

- it may increase the project's total costs, by requiring BT to prioritise early work in more remote areas
- any delay in BT completing sufficient work in ERDF-eligible areas could mean that the Scottish Government would be unable to claim all of the funding. Any shortfall would need to be financed from other sources.

**37.** The Scottish Government attempted to find out how much its costs might increase if it used ERDF funding during the pre-tender negotiations, by asking potential suppliers to model costs for options which both included and excluded it. Suppliers indicated that this would add significantly to the time taken to submit their bids. As a result, the Scottish Government decided to proceed and apply for ERDF funding in the expectation that the benefits would outweigh the costs. It now expects to claim £13 million ERDF funding for work completed by the end of 2015, based on a better understanding of what level of funding from the ERDF would apply.

**38.** HIE decided not to apply for ERDF funding for superfast broadband due to the restrictions on its use, and because it considered that the expected funding, of £5 million, was unlikely to affect significantly the broadband coverage and speeds achievable.

### **The UK Government is expected to contribute £101 million**

**39.** The UK Government established its programme to bring superfast broadband to rural areas across the UK in December 2010. It set up BDUK within the Department of Culture, Media and Sport to manage the programme and provide funding to local bodies to develop a superfast broadband infrastructure. BDUK is providing £101 million to Scotland for this purpose, split broadly equally across the rest of Scotland and Highlands and islands projects.

**40.** BDUK is also providing a range of support and advice to public bodies across the UK which are procuring superfast broadband, including the Scottish Government and HIE. For example, it has established a framework agreement, including standard contract conditions, to speed up the procurement process by identifying and assessing the suitability of companies interested in tendering for the work. BDUK helps public bodies assess the competitiveness of the tenders they have received, reviews projects and advises on the use of contract monitoring processes once infrastructure installation starts. BDUK also ensures that projects meet state aid requirements.

### **BT is expected to contribute £126 million for work covered by the contracts**

**41.** Overall, BT expects to spend about £126 million on superfast broadband in Scotland over the next 11 years, not including any wider commercial investment. This means that the public sector will pay about 60 per cent of the total cost of the rest of Scotland project and 87 per cent of the Highlands and islands project. This is broken down into the cost of building the network and the cost of maintaining it. Over the five-year construction period, BT will contribute £47 million to the construction cost; £43 million in the rest of Scotland area and £4 million in the Highlands and islands. BT will continue to spend money after the contracts end, to make final connections to premises and for ongoing operating and maintenance costs.

### **The final amount to be invested will not be known until 2025**

**42.** The final amount to be invested in the Highlands and islands will not be known until 2024, and until 2025 for the rest of Scotland. This is because both contracts have clauses that are expected to produce additional funds for reinvestment. In particular:

- If BT's costs to install the superfast broadband network are lower than expected, BT must reinvest the savings in the projects.
- As part of the negotiations over the Highlands and islands contract, BT asked for an advance payment of £20 million. The Scottish Government gave HIE permission to make this payment. It is banked in a separate account, which BT can draw down with HIE's agreement, in line with work completed. The interest earned (£605,000 by December 2014) on the advance payment will be invested in the Highlands and islands project.
- In each contract area, if more than 20 per cent of premises connect to the network, the Scottish Government and HIE will receive – or claw back – a share of the additional income generated for reinvestment. The amount of claw-back takes into account how much BT invests and its expected profit margins. Similarly, the Scottish Government, HIE and BT will share equally the income generated from sales of additional services that BT was unable to offer before the network was in place, such as Ethernet business services. The Scottish Government and HIE will reinvest any money accumulated from these sources during the seven years after the contracts end.

### **Not all premises will get broadband speeds of 40–80 Mb/s**

#### **The maximum broadband speeds that premises receive will vary**

**43.** Although the Scottish Government's ambition is to develop a network that can deliver broadband speeds of 40–80 Mb/s, it acknowledges that not everyone will be able to receive these without further investment or technical advances. In practice, the broadband speed received will vary depending on:

- the distance between the premise and the cabinet
- the quality of the copper wiring to premises
- the Internet package bought from the Internet service provider

- where copper wiring is used, the number of people connecting to the Internet at any one time
- the internal wiring of properties.

**44.** To illustrate the likely impact of this, we have plotted the download speeds that BT expects to deliver to premises in a Scottish town, based on work it has completed to date to bring superfast broadband to the area for the first time (**Exhibit 3**). BT has yet to complete work in this town, so our analysis is indicative and can be expected to change as BT undertakes further work in the area.

### Exhibit 3

**Maximum expected superfast broadband speeds for upgraded postcodes in a selected Scottish town**  
BT is still to complete the installation of superfast broadband in the town but, so far, it expects that properties in most postcode areas will be able to receive maximum speeds above 40 Mb/s. Some premises are likely to receive lower maximum speeds.



Source: Audit Scotland

**45.** Our analysis uses average maximum speeds across a postcode area. Speeds may be lower in practice if, for example, several users connect to the Internet at the same time. Of the 5,000 premises in this town provided with access to superfast broadband for the first time:

- 4,000 (80 per cent) are in postcode areas where the average maximum speeds for premises in the area will be more than 40 Mb/s (the speed that the Scottish Government aims to provide)

- 1,000 (20 per cent) will get speeds of less than 40 Mb/s, of which 650 (13 per cent) are in postcode areas where the maximum speed received for premises will, on average, be less than 24 Mb/s (the UK Government's target for superfast broadband).

### About three-quarters of premises are expected to receive maximum speeds of more than 24 Mb/s

**46.** When the contracts were signed, the Scottish Government did not require BT to commit to providing access to speeds of 40-80 Mb/s at 85-90 per cent of premises because it was concerned it would cost too much. In the contracts, BT commits to building an infrastructure that should provide modelled broadband speeds of more than 24 Mb/s (the UK target) to at least 77 per cent of premises across both contract areas.

**47.** Of the other 23 per cent of premises covered in the contracts:

- at present some will not be reached by the network at all
- some will get access to broadband services but at speeds of less than 24 Mb/s
- in some instances, BT is not able to predict what speeds it will provide until survey work is completed ([Exhibit 4](#)).

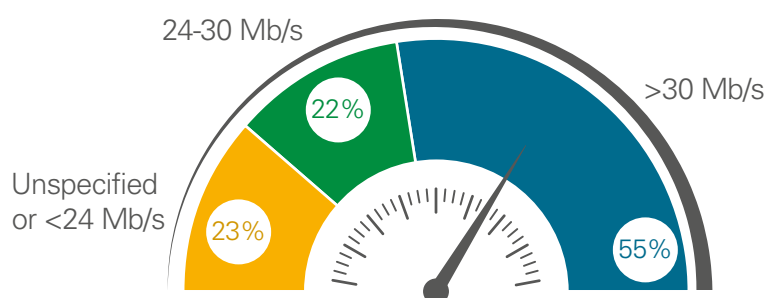
Opportunities will arise as the network is planned and built over time to achieve improvements in speeds and coverage for the remaining 23 per cent.

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## Exhibit 4

### Superfast broadband maximum speed expectations

In the contracts BT commits to building an infrastructure that should provide broadband speeds of more than 24Mb/s (the UK target) to at least 77 per cent of premises across both contract areas.



Note: We are unable to report what percentage of premises is expected to receive speeds in excess of 40 Mb/s, as this is not stipulated in the contract for the rest of Scotland area. BT is aiming to cover as much of Scotland as possible with the broadband network and provide the highest speeds possible within the funding available.

Source: Speed coverage templates in both contracts

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**48.** BT is aiming to cover as much of Scotland as possible with the broadband network and provide the highest speeds possible within the funding available. Much of the roll-out of superfast broadband across Scotland involves the installation of new infrastructure, such as cabinets and fibre cabling, the location of which is only finalised once detailed survey work is undertaken. Because of this, the Scottish Government and HIE report that it is difficult to state with certainty the speeds that will be provided to individual areas or premises, until work is completed.

### **By December 2017, about 95 per cent of premises will be in areas with access to a superfast broadband network**

**49.** The Scottish Government aim is to provide a superfast broadband network across as much of Scotland as possible, although it cannot guarantee what speed individual premises will get. A high proportion of premises in certain areas, such as Dundee and Edinburgh, already have access to superfast broadband from commercial providers. The main beneficiaries of the public sector's investment are, therefore, rural areas where access to commercially provided superfast broadband is low or non-existent.

**50.** The work BT is completing as part of the rest of Scotland contract is the main means by which the Scottish Government hopes to achieve its coverage target of at least 95 per cent across Scotland by December 2017. The Highlands and islands contract is not designed to provide the level of coverage set out in the Scottish Government's ambitions for Scotland as a whole. HIE's strategy is to improve coverage across the Highlands and islands to achieve, as far as possible, an equitable minimum level of coverage in each council area.

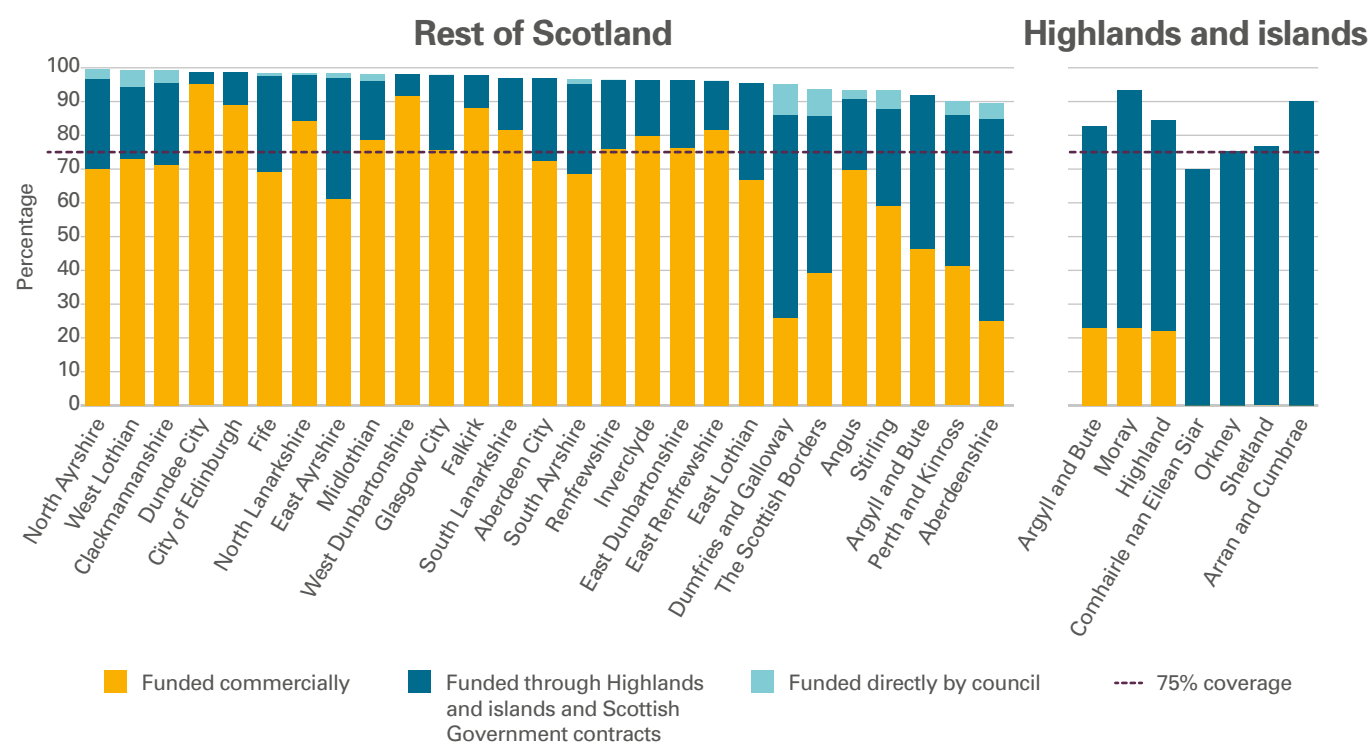
**51.** Our calculations show that overall, if BT meets the contractual targets, it will make broadband available to at least 746,000 more premises across Scotland. In addition to commercial provision to 1.73 million premises, this means that 95 per cent of premises in Scotland will have access to the broadband network. By December 2017, coverage will be higher in the rest of Scotland than in the Highlands and islands area:

- In the rest of Scotland, at least 96 per cent of premises will have access to the broadband network (71 per cent – 1.68 million premises – from commercial coverage and 25 per cent – 595,000 premises – through the rest of Scotland contract).
- In the Highlands and islands, at least 82 per cent of premises will have access to the broadband network (21 per cent – 51,000 premises – from commercial coverage and 61 per cent – 151,000 premises – through the Highlands and islands contract).
- At least 75 per cent of premises in 31 of the 32 councils will have access to the superfast broadband network. The exception is Comhairle nan Eilean Siar where 70 per cent of premises are expected to get access ([Exhibit 5, page 23](#)).

## Exhibit 5

### Percentage of premises expected to have access to superfast broadband by December 2017 by council area

Given current technology and levels of investment, the Western Isles is the only council area that is not expected to achieve 75 per cent coverage due to its remoteness and terrain.




Note: Two council areas cross the boundary between the HIE and Scottish Government contracts. Argyll and Bute is split across both contracts. Arran and Cumbrae falls within the area covered by the HIE contract area, while the rest of the North Ayrshire Council geographic area falls within the Scottish Government contract area.

Source: Rest of Scotland contract award recommendation report and HIE board papers

**52.** The contractual targets represent the minimum number of premises in both areas that BT is expected to provide with access to the broadband network. Both the Scottish Government and HIE expect BT to exceed these targets. For example, the implementation plan for the Highlands and islands shows that 156,000 premises will be connected to the broadband network. If the implementation plan target is achieved, it means that the proportion of premises in the Highlands and islands with access to the broadband network will have increased from 21 per cent to 84 per cent.

**53.** The level of coverage could also increase beyond the minimum levels set out in the contracts through the use of the innovation funds, and depending on how BT proceeds and if new technology becomes available. BT, in consultation with HIE and the Scottish Government, decides how it will proceed in each geographic area based on survey work, carried out on a rolling basis. This may mean that more premises will get access to superfast broadband than originally thought. Project teams and BT could also decide not to provide superfast broadband in certain areas or to postpone installation of the necessary infrastructure to later in the programme. Because the survey work is ongoing, the Scottish Government

and HIE do not know with certainty who will get what and when, until BT submits a quarterly report on the survey work completed. Work will then start soon after in the areas where BT will proceed next.

**54.** We calculate that about 132,000 premises (86,800 in the rest of Scotland area and 45,300 in the Highlands and islands) will not get superfast broadband at all under the contracts or will only get it if the survey work identifies a way of providing access to the broadband network ([www.digitalscotland.org/whereandwhen](http://www.digitalscotland.org/whereandwhen) ). Reasons for this include:

- The most remote parts of Scotland will not be included if it is too expensive or physically impossible to deliver broadband using fibre optic technology. BT, HIE and the Scottish Government will decide which areas will not receive broadband once BT has completed detailed survey work.
- The rest of Scotland contract allows 21,000 remote premises to be provided with standard broadband (with speeds of at least two Mb/s) using other technology, such as copper ADSL telephone lines.<sup>11</sup> Because of EU state aid rules, further public money can only be used to provide broadband to these premises if it will improve broadband speeds to more than 24 Mb/s. HIE did not include similar arrangements in its contract with BT as it decided to use its budget to ensure as many premises as possible received superfast broadband speeds.
- In areas where demand for a connection to the superfast broadband network is higher than expected, BT may not be able to provide immediate access to everyone that wants it. Some people in areas of high demand will need to wait until BT decides whether to invest its own resources, either to extend capacity of existing cabinets or build an additional one.
- Twenty thousand premises in Edinburgh, Glasgow and Aberdeen will not have access to superfast broadband. This is because the commercial sector has decided not to invest in these areas, and under EU state aid rules, they cannot be included in the rest of Scotland programme.<sup>12</sup>

## **BT was the sole bidder for both contracts**

**55.** HIE and the Scottish Government followed different procurement routes to identify a contractor to undertake the installation of superfast broadband:

- HIE followed an open 'competitive dialogue' procurement process that complied with EU competition requirements. Under this, HIE initially invited four companies for discussions in September 2011.<sup>13</sup> Three submitted an outline bid, detailing how they would meet the technological challenges of delivering broadband in the area. Based on their outline solutions, HIE allowed two companies to progress to the competitive dialogue stage. One of the companies withdrew in early 2012, leaving BT as the sole bidder.<sup>14</sup> HIE did not have the option to use BDUK's framework agreement for its procurement as the agreement was not in place when HIE started its procurement.



- The Scottish Government considered different approaches to its procurement of the rest of Scotland contract. It chose to use BDUK's framework agreement to reduce the cost and time taken, and to limit risk. The framework agreement identified BT and Fujitsu as potential suppliers. The Scottish Government began negotiations with both suppliers in December 2012, after three months of pre-tender negotiations. Fujitsu dropped out in February 2013, having concluded that its proposal would not be successful given the assessment criteria and weighting the Scottish Government's tender evaluation team would use.

### **Project teams used a variety of approaches to assure themselves that BT's bids offered value for money**

**56.** Although BT was the only final bidder in each area, both the Scottish Government's and HIE's project teams worked hard to make sure that BT's modelled costs were reasonable:

- At the project design stage, both teams employed consultants to advise on the technicalities of the projects and to offer specialist legal, financial and procurement advice. For example, the Scottish Government's Office of the Chief Economic Adviser undertook financial modelling to identify what it would cost to reach 75, 80 and 85 per cent of premises in each Scottish council area. This provided guidance to the project teams on both the total costs of the work and the incremental costs of extending coverage in different areas. In 2012, at HIE's request, one of the consultants, Atkins, estimated that the cost of installing fibre broadband across the Highlands and islands was likely to be £200–£300 million. The bid BT submitted in 2013 was below the range suggested.
- Consultants' reviews of BT's bids pointed out areas of weakness and risk, and offered advice on how to manage these risks. For example, in its review of the rest of Scotland bid, Grant Thornton commented on the lack of detail in BT's assumptions and unit costs. It also identified actions to mitigate risks in several areas, such as how best to apportion costs between the various work activities, and how to monitor activities that will be funded from ERDF grants.

**57.** BDUK helped project teams to assess the reasonableness of BT's tenders through comparison with other UK superfast broadband contracts. BDUK was able to do this because it holds information on the costs of all 43 broadband infrastructure projects in the UK. BDUK considers this information commercially sensitive so does not share detailed cost figures with individual project teams, although it is able to provide assurance to project teams that tendered costs are in line with other areas.

**58.** As well as the contract clauses outlined in [paragraph 42](#) of this report, a number of other measures included in the contracts are intended to provide additional assurance on value for money. For example, there is a cap of £1,700 on how much BT can spend to connect each premise. If it is likely to cost more, BT must seek agreement from the Scottish Government and HIE and, where relevant, with each contributing council, before proceeding to connect these premises. This provides an assurance that project teams know how their money is being used and allows them to assess if the connection represents value for money.

## The rest of Scotland contract costs are in line with those of other UK projects

**59.** An important element of the project teams' assurance on the value for money of BT's bids came from benchmarking against cost information from all projects within the UK rural broadband programme. BT was the supplier in each of these projects. BDUK used information it had gathered from two sources:

- One was the financial models that BT submitted as part of its bids for superfast broadband contracts in other parts of the UK. These contain commercially sensitive information such as the unit cost of connecting a premise to a cabinet (FTTC) and bringing fibre directly to a premise (FTTP). The models also show the total contract cost for each project and give a quarterly breakdown by type of work (for example, surveying and planning).
- The other was guideline costs. These were submitted by potential contractors when they applied to BDUK to be included in the framework agreement.

**60.** BDUK used this information to produce expected benchmark costs for a range of works activities, and used these to compare bidders' costs for individual broadband projects across the UK. The National Audit Office reviewed the rural broadband programme in England in 2013. Among other things, it looked at how much information BDUK had on BT's unit costs. It concluded that it was difficult to understand unit costs from BT's tender documents.<sup>15</sup> The NAO recently reported that BDUK has gathered further information on BT's value for money. A pilot exercise carried out for Suffolk suggests that BT charged the public sector approximately 20 per cent less than the estimated cost for an alternative supplier. BDUK will do further work to establish if this applies in other locations across the UK.<sup>16</sup>

**61.** The Scottish Government asked BDUK to assess the rest of Scotland bid against its benchmark costs. BDUK assessed the rest of Scotland bid against 20 other projects procured using its framework agreement; against seven open European competitive procurement projects; and against the guideline costs submitted when BT was included in the framework agreement. BDUK found that the rest of Scotland bid compared favourably against other bids, with no major risks identified. This comparison established that the contract costs charged by BT for the rest of Scotland are in line with the costs charged in other parts of the UK. We have not been able to confirm if BT could have reduced its costs across the board and offered better value for money in each of its bids.

**62.** BDUK could not provide assurance to HIE on the backhaul costs of its project, because there were no comparators at that time. HIE used Atkins to provide assurance over BT's backhaul costs. BT worked out the routes it would use and their estimated distances to allow Atkins to consider whether BT's costs were in line with expectations.

**63.** We compared the modelled bid costs for the Highlands and islands contract, the rest of Scotland contract and the guideline costs included in BT's submission for inclusion in the framework agreement. We looked at the average connection cost per premise for FTTC and for FTTP:

- In the rest of Scotland contract, the average cost per premise:
  - for FTTC links (which will be used for most of the network) is lower than BT's guideline cost in the framework agreement
  - for FTTP links is almost double BT's guideline cost in the framework agreement. BT aims to minimise the use of FTTP links, so these higher costs should have limited impact on total costs.
- In the Highlands and islands contract, the average cost per premise:
  - for FTTC links is almost double BT's guideline cost in the framework agreement
  - for FTTP links is almost three times BT's guideline cost in the framework agreement. BT aims to minimise the use of FTTP links, so these higher costs should have limited impact on total costs.

**64.** BT considers that the high modelled unit costs associated with both FTTC and FTTP in the Highlands and islands contract, and for FTTP in the rest of Scotland contract, are largely due to the rural characteristics of Scotland. While higher costs in rural areas are to be expected, we do not have sufficient information to conclude whether the scale of the increase in unit costs above BT's guideline costs is justified.

**65.** We calculated the average total cost to the public purse of each premise provided with access to superfast broadband in Scotland. In the rest of Scotland area it is £230 and £475 per premise in the highlands and islands. However, these figures are affected by the level of investment that the public sector is making in each area; the public sector is meeting a higher proportion of total capital costs in the highlands and islands than it is in the rest of Scotland. If the public sector was contributing the same proportion of total capital costs in each area, the average public subsidy for the highlands and islands would reduce from £475 per premise to £385 per premise.

**66.** The Wales Audit Office (WAO) is auditing the Welsh Government's broadband infrastructure programme and expects to publish its report in Summer 2015. As part of its work, the WAO calculated that the average public subsidy for all 44 UK rural broadband projects is £240. The public subsidy in the rest of Scotland area is below this average while it is costing more in the highlands and islands.

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## Recommendations

### The Scottish Government should:

- continue to develop ways to report the range of speeds its investment will deliver and, in particular, seek to report publicly what its contracts with BT for superfast broadband are expected to deliver in terms of both coverage and speed by each of:
  - the interim target date (March 2016)
  - December 2016 and December 2017 (when the Highlands and islands and rest of Scotland contracts are due to complete)

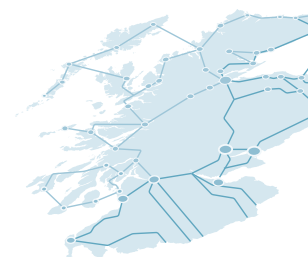
- December 2020 (the date when the Scottish Government expects superfast broadband to be universally available).

**The Scottish Government and HIE should:**

- work together to plan how they will invest further in superfast broadband. The plans should strike an appropriate balance between extending coverage in areas where there is no access to superfast broadband and increasing speeds in premises with low speeds. The plans should also:
    - take account of the costs and value of extending coverage to the 132,000 premises in the most remote parts of Scotland that will either not be covered by the current superfast broadband contract arrangements or where BT is unable to say if they will be included
    - consider the costs and value of improving speeds to those premises not expected to get maximum speeds of more than 24 Mb/s
    - assess the technological challenges associated with both increasing speeds and extending coverage, and how these might be overcome
    - identify which communities will be excluded from the current BT contracts, so that these communities can make an informed choice to consider other options.
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# Part 2

## Progress in delivering superfast broadband in Scotland



### Key messages

- 1** BT exceeded its contractual targets to provide access to the broadband network by about 57,000 premises at the end of December 2014. It has provided access to 44,000 premises more than its contractual targets in the rest of Scotland area and 13,000 premises more in the Highlands and islands. Although BT exceeded its contractual targets, it has not kept up with its implementation plan targets, meaning progress to December 2014 is slower than expected.
- 2** Overall, for Scotland as a whole, the contractual targets require BT to provide access to 84 per cent of premises by March 2016. This means that BT will need to exceed its contractual targets if the Scottish Government is to achieve its interim target to provide access to 85 per cent of premises. Based on the current position, even if BT delivers no more than the contractual targets over the next year, we calculate that the Scottish Government will achieve its interim target by March 2016. Delivery of the target is heavily dependent on the rest of Scotland contract, as the Highlands and islands contract is designed to provide a lower level of access than the Scottish Government's target for Scotland as a whole.
- 3** Arrangements for scrutinising and reviewing progress against the contracts are good, and project teams are following BDUK's monitoring processes. However, systems for checking reports of work done are complex and, while it is early days, there are risks that teams may not be able to manage as workloads increase.
- 4** The Scottish Government and HIE have still to fully develop plans to measure the wider benefits of their broadband investment.

although BT is still meeting its contractual targets, progress in the first year is slower than expected

### BT is meeting its contractual targets but progress against the implementation plan is slower than expected

**67.** The Scottish Government expects that, once commercial provision is included, about 95 per cent of premises in Scotland as a whole will have access to the broadband network by December 2017:

- The contractual targets set in the rest of Scotland contract will provide access to 96 per cent of premises, once commercial provision is included. The Scottish Government is focused on meeting its contractual targets, as this will deliver the level of coverage it seeks overall.

- The Highlands and islands contract is expected to provide access to only about a quarter of the premises included in the rest of Scotland contract. Once commercial coverage is included, the Highlands and islands contract will provide access to 82 per cent of premises across the area, based on the contractual targets. HIE is focused on achieving the implementation plan targets as it expects this will deliver access to 84 per cent of premises in the Highlands and islands.
- Owing to this difference in approach, we discuss progress to date against both the contractual and implementation plan targets in the next section.

### **So far, BT has exceeded its contractual targets by 57,294 premises**

**68.** At December 2014, BT had exceeded its contractual coverage targets in both the rest of Scotland and Highlands and islands areas:

- BT had provided access to the broadband network to 165,188 premises in the rest of Scotland area. The contractual target for this period was 121,205 premises.
- In the Highlands and islands, BT had provided access to the broadband network to 44,440 premises, against a contractual target of 31,129.
- For Scotland as a whole, this means that BT exceeded its contractual targets by 57,294 premises (27 per cent).

### **As at December 2014, BT was 14,253 premises behind its implementation plan targets for Scotland as a whole**

**69.** In the Highlands and islands, BT encountered delays in obtaining marine licences for the subsea cabling, although it still completed this element of its work in 2014. At the end of December 2014, the number of premises provided with access to superfast broadband in the Highlands and islands was 44,440. This is 1,250 less than the target of 45,690 set in the implementation plan ([Exhibit 6, page 31](#)). BT started 2014 well, exceeding the target set for January to March, but progress was slower in the remaining three quarters. At the end of September, BT was broadly on target against the implementation plan. But it encountered difficulties in getting final power connections to cabinets in the September to December 2014 period, causing a shortfall for the quarter and, overall, for the year.

**70.** In anticipation of this, BT and HIE agreed to reduce the implementation plan target for the quarter by 8,000 premises. BT completed more connections than expected, leaving a shortfall of 1,250 premises to be carried forward to January to March 2015.

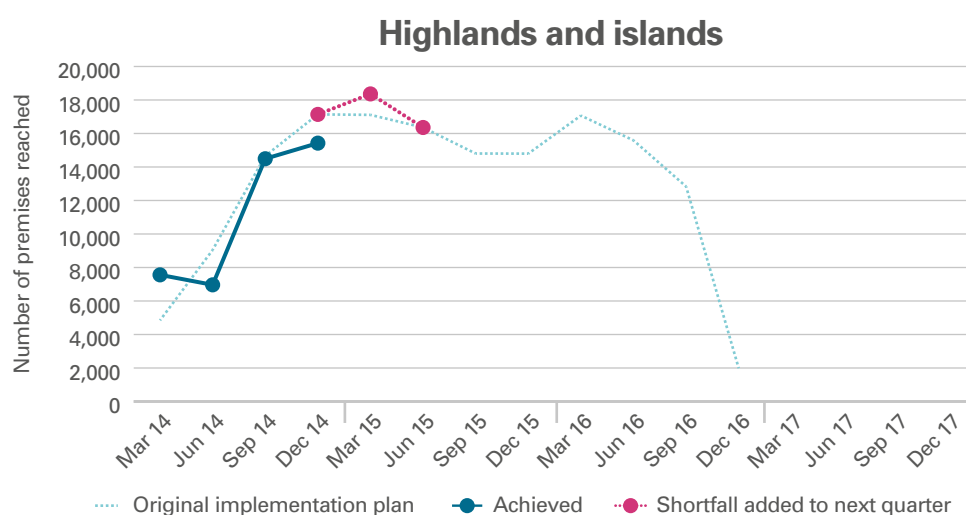
**71.** In the rest of Scotland area BT made slower than expected progress against the implementation plan in the first two quarters, from March to September 2014 ([Exhibit 7, page 31](#)). In part, this was because BT experienced difficulties in meeting the more complex roll-out plans associated with targeting businesses in remote areas, to meet ERDF requirements. By December 2014, the cumulated deficit, when measured against its implementation plan target, was 13,003 premises:

- Between April and June 2014, BT provided 39,992 premises with access to the broadband network against an original implementation plan target of 48,816, resulting in a shortfall of 8,824 premises. Anticipating this shortfall, BT and the Scottish Government reduced the implementation plan target and added the shortfall to the target for the next quarter.

## Exhibit 6

### Progress in providing access to superfast broadband in the Highlands and islands

HIE and BT reduced their implementation plan target for September to December 2014 by 8,000 premises and increased the following quarter's target. Overall, HIE has finished the first year of installation work 1,250 premises behind its original implementation plan target.



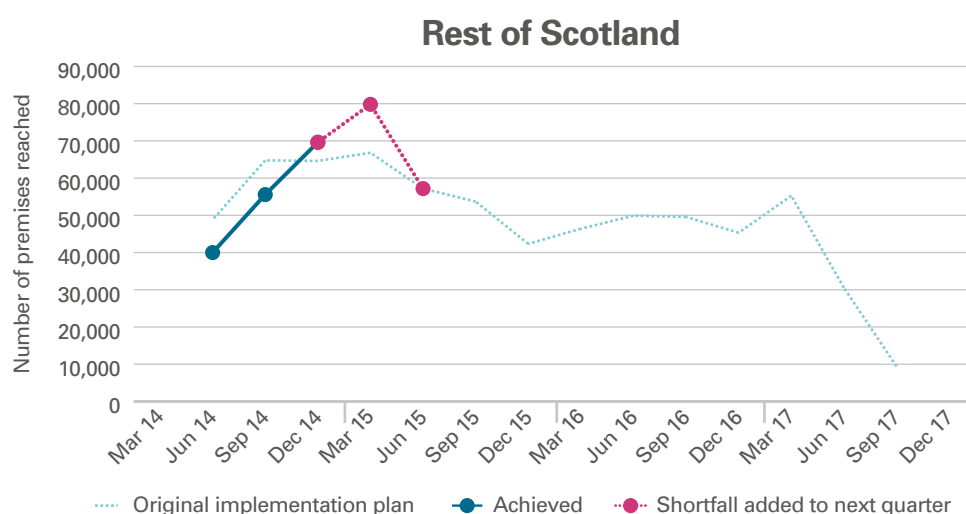
Note: HIE is still to verify data on the total achieved from September to December 2014.

Source: Audit Scotland analysis of Highlands and islands project monitoring reports

## Exhibit 7

### Progress in providing access to superfast broadband for the rest of Scotland

BT did not meet the original implementation plan targets for March to September 2014, but reduced some of the shortfall in the last quarter of 2014. The target for January to March 2015 now includes 13,000 premises not provided with access to broadband in 2014, as originally planned.



Note: The Scottish Government is still to verify data on the total achieved from September to December 2014.

Source: Audit Scotland analysis of rest of Scotland project monitoring reports



- The implementation plan target for the next quarter, June to September, was reduced again in September 2014 due to 'relief events' when, for example, BT had difficulty getting access to privately owned land. The effect was to reduce the revised implementation plan target for July to September 2014 from 73,747, to 53,024 premises. BT provided access to broadband to 55,570 premises in this quarter, leaving a cumulated shortfall of 18,011 premises against its original implementation plan target. This shortfall was added to the September to December target.
- In December 2014, BT reached a further 69,626 premises. The implementation plan target was adjusted again during the quarter, reducing the target by 24,181 premises, from 85,331 to 61,150. By the end of the quarter, the shortfall across the three quarters in the rest of Scotland had reduced to 13,000 premises.

### **Overall, the projects are on course to deliver the Scottish Government's interim target for Scotland as a whole by March 2016**

**72.** The two contracts require BT to provide access to a further 464,000 premises by March 2016, 355,000 in the rest of Scotland and 109,000 in the Highlands and islands. Once commercial provision in each area is included, this equates to 86 per cent of premises in the rest of Scotland area and 65 per cent of premises in the Highlands and islands. If BT achieves its contractual targets for March 2016, we calculate it will have provided access to about 84 per cent of premises by March 2016 for Scotland as a whole.

**73.** On this basis, if BT was to deliver only its contractual targets, the Scottish Government will not achieve its interim target to provide access to the broadband network to at least 85 per cent of premises across Scotland by March 2016. However, BT is currently exceeding its contractual targets; it provided access to 57,000 more premises than expected in the period to December 2014. Assuming it delivers its contractual targets over the period January 2015 to March 2016, we calculate that the Scottish Government will exceed the interim target by about 34,000 premises by March 2016.



How we calculated whether the interim target will be achieved.

**74.** Up to December 2014, BT was providing access to the broadband network to an average of 55,000 premises a quarter in the rest of Scotland and 11,000 premises a quarter in the Highlands and islands. According to the contractual targets, the rate at which premises are provided with access to the broadband network is expected to be slightly higher overall during 2015 than achieved so far. The Scottish Government, HIE and BT remain confident that the contractual targets will be met, and that they will achieve the overall target to provide access to the broadband network to about 95 per cent of premises in Scotland as a whole by December 2017. The achievement of both the interim and overall target is dependent on the delivery of the rest of Scotland contract. The Highlands and islands contract is expected to provide a lower level of access than the Scottish Government's target for Scotland as a whole.

### **So far, the proportion of premises capable of receiving maximum speeds of more than 24 Mb/s is greater than set out in the contracts**

**75.** So far, BT is exceeding the speed targets set out in its contracts ([Exhibit 4, page 21](#)):

- In the Highlands and islands, BT estimates that 88 per cent of the premises connected between April and September 2014 should receive



maximum speeds of more than 24 Mb/s and 75 per cent should receive maximum speeds of more than 30 Mb/s. Under the terms of the contract, BT is required to deliver speeds of more than 24 Mb/s to 64 per cent of premises, and speeds of more than 30 Mb/s to 59 per cent of premises. BT is currently working in the more accessible parts of the Highlands and islands where higher speeds can be expected. It acknowledges it may be harder to continue to provide speeds of more than 24 Mb/s to a high proportion of premises when work starts in less accessible areas.

- In the rest of Scotland, BT estimates that 86 per cent of the premises connected between April and September 2014 should receive maximum speeds of more than 24 Mb/s and 83 per cent should receive maximum speeds of more than 30 Mb/s. The target figures in the contract are 80 per cent and 54 per cent respectively.

### **Payments to BT are £27 million less than originally planned**

**76.** The contracts require the Scottish Government and HIE to pay an agreed proportion of BT's eligible costs each quarter, on condition it meets its contractual targets for the number of premises reached by the network. If BT does not meet its contractual premises target for any period, the contracts allow the Scottish Government and/or HIE to withhold all payment for that quarter. The amount paid is determined by how much eligible cost BT can claim, provided it is less than the maximum that could be paid according to the agreed payment profile. Costs are deemed eligible when the work is fully complete, which can delay payments for several months.

### **The Scottish Government has paid BT £1.2 million less than planned**

**77.** The Scottish Government considered its options in September 2014 when BT was falling behind its implementation plan targets for the rest of Scotland. It decided to ask BT to provide an action plan by 31 October 2014, showing how it would get back on course during 2015. The Scottish Government considered that other options, such as reviewing the programme, delaying payments and, potentially, negotiating new targets with BT, could lead to further delays in progress.

**78.** The Scottish Government was to pay £15.6 million for the work completed in the nine months January to September 2014, provided BT met its contractual target and could claim sufficient eligible expenditure for work completed up to that point. While BT met its contractual target for the period, it claimed only £14.3 million for the work done. The difference (£1.2 million) is work in progress and will be claimed later.

### **HIE has paid BT £26.1 million less than planned**

**79.** HIE paid BT a total of £26.2 million for work completed between September 2013 and September 2014, comprising £19.8 million for backhaul infrastructure and £6.4 million for work connecting premises. It originally planned to pay £52.3 million over this period, of which £38.9 million was to be for backhaul infrastructure and £13.4 million for work connecting premises.

**80.** HIE and BT negotiated revised payment schedules in March and September 2014 to take account of the arrangements between BT and its sub-sea subcontractors, and reflecting ongoing discussions about how best to report progress on installing the backhaul infrastructure. In the early days of the contract, BT did not have processes agreed with BDUK to allow it to report how much time BT staff were spending on specific backhaul installation tasks.

**81.** As a result, HIE did not have evidence of the eligible costs incurred and has not paid BT in line with the original payment schedule. Consequently, £12 million (17 per cent) of HIE's total planned expenditure on the project for 2014/15 will now occur in 2015/16. The Scottish Government, as fund holder for both projects, will retain the £12 million until it is required by HIE. The revised payment schedule also means that there will be additional money for investment in the Highlands and islands project due to the extra interest earned from HIE's advance payment of £20 million to BT.

### **Arrangements for scrutinising progress against the contracts are good although there are challenges in checking work done**

**82.** The Scottish Government and HIE have established appropriate governance arrangements for scrutinising the progress of both projects. Operational oversight of the projects is provided by programme boards in both the Scottish Government and HIE. The Scottish Government's Strategic Management Board and the HIE Board oversee their respective projects. At a national level, the Scottish Government's Infrastructure Action Plan Board scrutinises both projects. It considers significant risks that might affect the targets set for the infrastructure programme ([Exhibit 8, page 35](#)).

**83.** Both teams regularly report on progress. The rest of Scotland team uses a dashboard format while the Highlands and islands project board provides information in papers submitted to the HIE Board. Both approaches provide a useful summary of progress by reporting on delivery against the work plan, payments made and any issues arising.

### **HIE and the Scottish Government are using tried and tested systems to monitor BT's progress but there are challenges in checking work done**

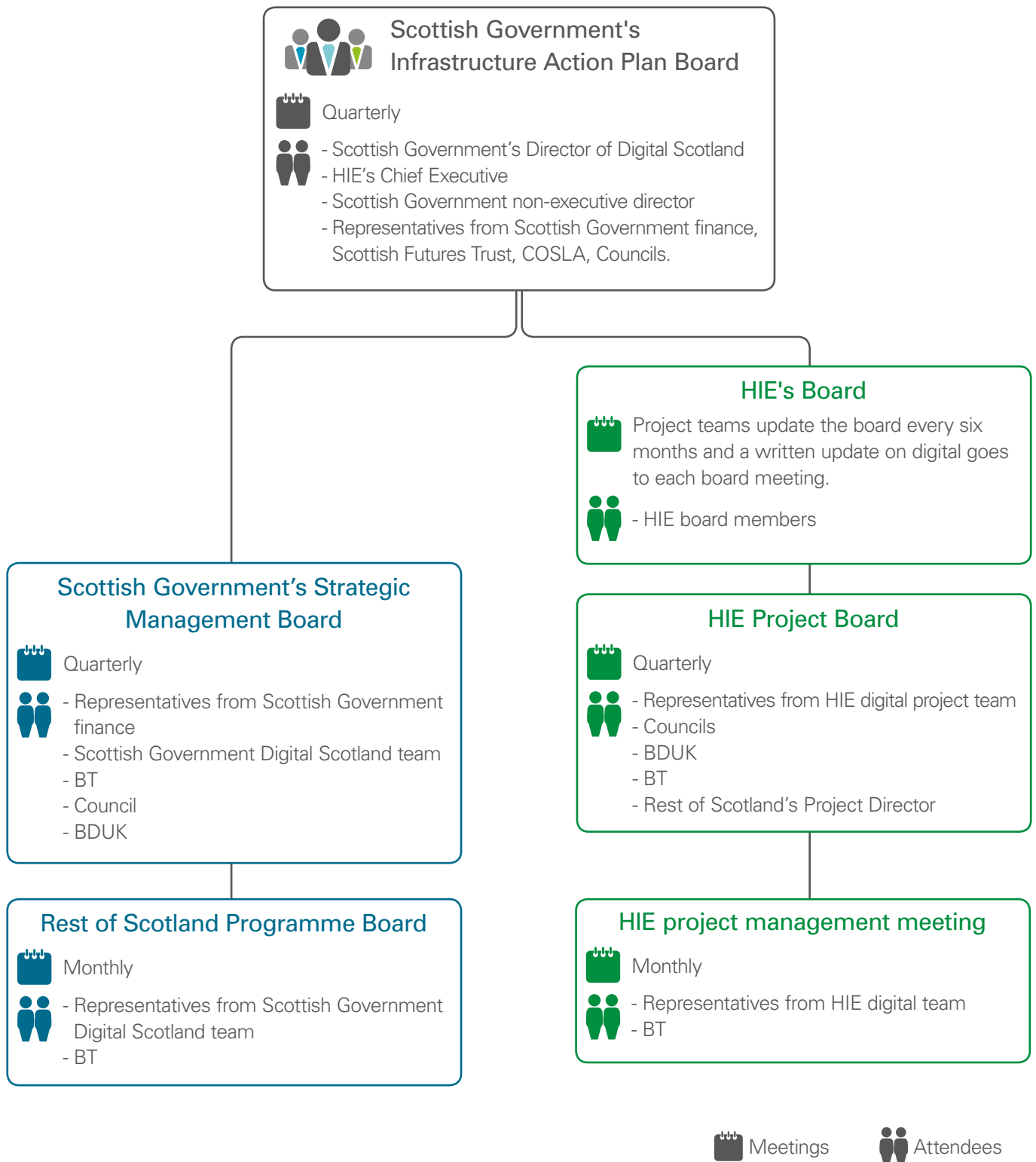
**84.** BDUK has designed a standard contract management approach to enable project teams to monitor and review BT's progress. BDUK based these processes on the early experiences of other UK broadband projects. It has also trained project team staff in the processes, and provided standard document formats to monitor and report on the work done.

**85.** The rest of Scotland project team is required to follow BDUK's processes as part of its use of the BDUK framework agreement. The Highlands and islands project team chose to follow these approaches, although it is not required to do so. For the most part, both bodies are using tried and tested systems to monitor BT's progress. Both project teams had trouble implementing some of BDUK's standard contract management arrangements. The main challenges teams face include:

- The system for reporting on progress in each area is complex. Each quarter, in line with BDUK requirements, BT produces reports that show the number of premises connected in each postcode area, the links made between exchanges and cabinets, and the outcome of survey work completed in the area. Project teams are still learning how best to use this information to monitor and report on their projects.
- The work requires very detailed checking of a large amount of invoiced work. The aim is to verify that BT is only claiming for eligible expenditure, and that costs are in line with those expected. Claims for work done that the project teams agree are then included in the payment made that quarter to BT. Payment for other items is deferred, and may be subject to further discussion with BT.

## Exhibit 8

### Governance arrangements for both projects



Source: Audit Scotland

**86.** BDUK's standard processes require project teams to review between five and ten per cent of the reports which BT submits on work done. In November 2014, BDUK agreed to BT's request to reduce the number of works reports that the rest of Scotland project team reviews. This is because BT was finding it time-consuming and difficult to sustain providing detailed evidence in support of up to 200 reports that the project team selected to check each quarter. BDUK, BT and the Scottish Government agreed that a maximum of 100 reports will be provided, covering up to ten per cent of project costs for September to December 2014. This means that checking will focus on higher value works reports, which could make it easier for BT to identify which reports will be selected for checking. The Scottish Government and BDUK will review the impact of this change on the quality of the rest of Scotland project team's assurance work in January 2015.

**87.** Dedicated staff within each project team mainly do contract monitoring work. For the Highlands and islands project, the project manager does most of the checking with help, as needed, from a compliance manager and an implementation manager. The HIE project also draws on specialist teams such as communications, finance and corporate services when required. A team of two individuals leads the monitoring work in the rest of Scotland area, with assistance from others as needed. For both projects, the core teams for monitoring and checking the work are small and may not be able to complete the work fully if individuals are absent.

**88.** Despite the reduced level of checking in the rest of Scotland contract, the project plans suggest that workloads will increase significantly as the projects ramp up and BT completes work in progress ([Exhibits 6 and 7, page 31](#)). This, together with the complex processes in place, creates a risk that teams will not be able to manage in busier periods. It is important that project teams have the contract management skills and depth needed to manage the contracts throughout their duration. Two further risks apply to the rest of Scotland project, arising from:

- the slow progress made in the initial stages, which is likely to increase the project team's workload as work is reassigned to later quarters
- the additional work needed as the team monitors progress and submits claims for ERDF funding. The Scottish Government expects to make its first claim for ERDF in February 2015, based on a grant agreement with the Scottish ERDF managing agent. This allows the Scottish Government to draw down some of the money. The claim will not be paid until formal commission approval is obtained.

### **The expected benefits from the investment are not clear**

**89.** The Scottish Government expects superfast broadband to deliver significant benefits both to individuals and nationally. The Scottish Government and HIE expect superfast broadband to:

- help businesses remain competitive, compete in global markets, cut costs and improve customer service
- improve access to public services allowing these to be delivered in new, convenient and more cost-effective ways

- improve access to different forms of entertainment, education and social interaction
- help retain populations in more remote and fragile communities
- help reduce Scotland's carbon footprint
- make Scotland more attractive to tourists by making it easier for them to access information.

### **The project teams have not updated early work to model the benefits expected from the superfast broadband network**

**90.** In 2012, the Scottish Government used consultants to calculate the impact of the investment in superfast broadband on the Scottish economy. Analysys Mason predicted that the public sector investment in both areas would directly benefit the economy by £1 billion with a further £2 billion economic benefit by 2028. Anticipated direct benefits might include revenue raised from providing Internet services over the new network, and the knock-on effect from new jobs. Economic benefits might include savings from online efficiencies, increased productivity for businesses, the public sector and consumers, and environmental benefits and flexible working. Analysys Mason also predicted that the projects would create 870 jobs over the five-year roll-out period and a further 14,000 over a 15-year period.

**91.** The consultants' modelling assumed that 80 per cent of premises would connect to the superfast broadband network over 15 years. This is significantly more than the take-up rates used by BT when deciding how much to invest in the contracts. BT modelled its level of investment in both projects based on an assumed take-up rate of 20 per cent over five years. The project teams in HIE and the Scottish Government expect take-up in the Highlands and islands and the rest of Scotland to be higher, at 40 per cent and 30 per cent after two and 2.5 years respectively.

**92.** It is important that both HIE and the Scottish Government understand what benefits their investment in superfast broadband will bring, and use this when deciding how further funds are used. Neither the Scottish Government nor HIE have updated the consultants' work on the expected levels of benefits to take account of possible lower take-up rates.

### **Project teams do not yet have fully developed plans to measure the benefits achieved once the network is completed**

**93.** The Scottish Government and HIE need to fully develop their plans on how best to measure the wider economic and social benefits of their broadband investment. The Scottish Government published its digital performance framework in February 2014. This framework links to four of the high-level targets in the Scottish Government's National Performance Framework. They are to increase Scotland's rate of economic growth, improve productivity, improve economic participation and reduce inequalities in economic participation across Scotland.

**94.** The digital performance framework has 17 measures to assess performance on each of the four programmes in the Scottish Government's digital strategy ([Exhibit 9, page 39](#)). Several Scottish public bodies are involved in gathering the baseline and monitoring data required for each measure. So far, 11 of the 17 measures have an identified data source. Scottish Enterprise and HIE are

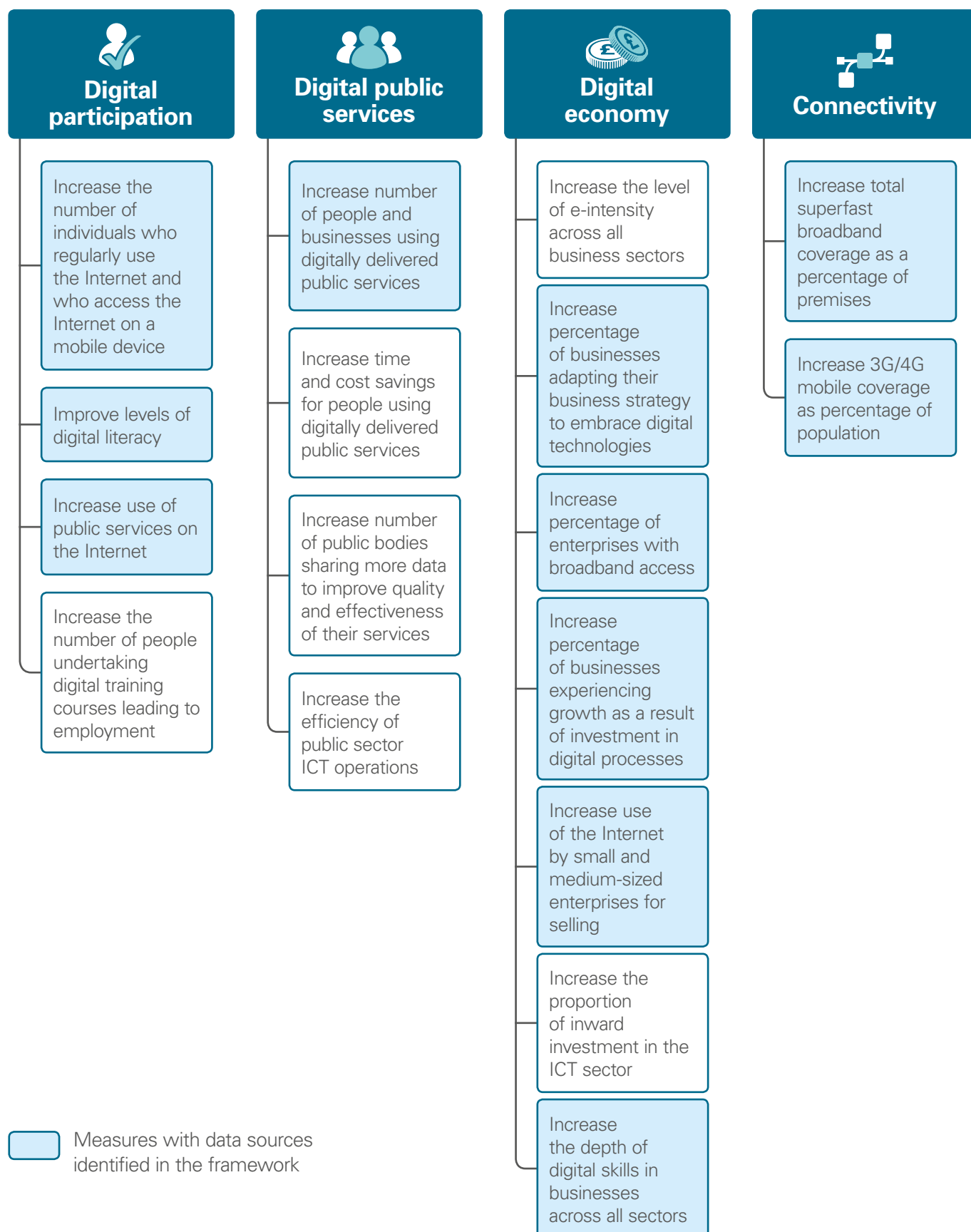
responsible for identifying how the impact on business performance will be measured. Knowing if businesses have improved their service delivery or expanded their business is important, as this was one of the key reasons put forward for the investment.

**95.** None of the performance measures assess the broadband speeds achieved, as either a maximum, mean or median. Ofcom collects some information on speeds across the UK from a sample of properties. However, the speed bands it uses for reporting do not separately measure speeds of more than 40 Mb/s. There are also no measures of take-up. Including measures on the speed achieved and of take-up in the digital performance framework would help the Scottish Government to assess the success of its investment in helping to improve digital connectivity.

**96.** The rest of Scotland project team has identified a number of performance indicators to monitor the success of its work to stimulate demand for superfast broadband. One of these performance indicators measures the cost of demand stimulation work per premise that takes up access to superfast broadband. A similar measure for the whole cost of investment would help assess how unit costs change as take-up increases over time. It would also provide a comparator for public bodies to use when assessing the savings they have made by using superfast broadband to deliver public services.

**97.** BDUK has developed a scorecard that compares the UK's digital performance against that of other European countries. The coverage measure is similar to that on the Scottish Government's framework but the remaining three performance areas look at speed, take-up and price. The Scottish Government may find it useful to benchmark Scotland against other countries by adopting some of these measures.

**98.** The Scottish Council of Voluntary Organisations (SCVO) has also developed a framework to measure the impact of its digital participation work and to understand the effectiveness of its activities. However, SCVO and the Scottish Government have not agreed how they will collect the information and what measures they may use. This means it may prove difficult to get a clear picture of what is happening and lead to some duplication of effort.

**Exhibit 9****The Scottish Government's digital performance framework**Source: [Digital Scotland performance framework](#)  The Scottish Government

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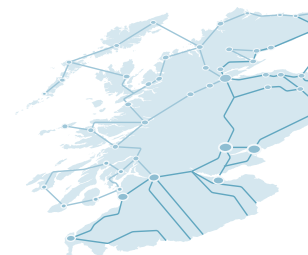
## Recommendations



### The Scottish Government and HIE should:

- encourage take-up of superfast broadband to maximise the benefits of their investments and identify what further work is needed to realise these benefits
  - develop clear plans, by June 2015, for the planned investment of a further £42 million in superfast broadband, announced by the UK and Scottish Government in February 2014. These plans should strike an appropriate balance between extending coverage in areas where there is no access to superfast broadband, and increasing speeds in premises where access is already provided. These plans should:
    - set clear priorities and a timetable for further investment in superfast broadband
    - include an assessment of how the existing investment can best be used to help contribute towards meeting the EU aspiration of 50 per cent uptake of ultrafast broadband (speeds faster than 100 Mb/s) by households in Europe
  - review work programmes and payment profiles and make any changes necessary to ensure that payment is closely linked to successfully achieving the agreed targets
  - keep staffing levels and workloads under review, and alter the skills mix and number of staff when needed, to ensure that teams are able to fulfil their contract management and monitoring roles well
  - continue to develop their performance measurement frameworks, by including measures that address speeds delivered, the unit cost to provide access to superfast broadband to each premise and levels of take-up, as well as measures that allow benchmarking with other countries' implementation of superfast broadband. Both bodies should report publicly on these measures each year.
-



# Endnotes



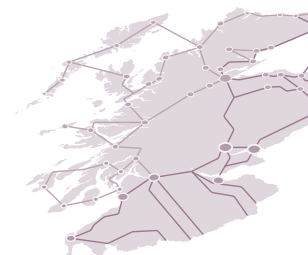
- ◀ 1 *Communications market report, Scotland*, Ofcom, August 2013. Ofcom/operators. Ofcom defines superfast broadband as speeds above 30 Mb/s.
- ◀ 2 [Digital Agenda for Europe – High Speed Broadband](#) .
- ◀ 3 *Scotland's Digital Future – Infrastructure Action Plan*, Scottish Government, January 2012.
- ◀ 4 *Scotland's Digital Future – Infrastructure Action Plan, Step Change 2015 Procurement Plan*, Scottish Government, May 2012.
- ◀ 5 BT must provide access to its infrastructure to all service providers at the same price and on the same terms as it sells to BT retail. This ensures households get the best choice of providers at affordable prices.
- ◀ 6 *Scotland's Digital Future*, Scottish Government, March 2011.
- ◀ 7 *Scotland's Digital Future – Infrastructure Action Plan*, Scottish Government, January 2012.
- ◀ 8 *Scotland's Digital Future – Infrastructure Action Plan, Step Change 2015 Procurement Plan*, Scottish Government, May 2012.
- ◀ 9 The UK Treasury uses the Barnett formula to adjust the amounts of public expenditure allocated automatically to Scotland in response to changes in the spending levels for similar public services in England, Wales or Great Britain, as appropriate. The formula takes account of the amount of additional money given, the relative population of each area and how much similarity there is with what the Scottish Government is responsible for delivering, when compared with its English counterpart.
- ◀ 10 ERDF can be used in Aberdeenshire, Angus, Dumfries and Galloway, East Ayrshire, East Lothian, Fife, Perth and Kinross, The Scottish Borders, South Lanarkshire, Stirlingshire, West Dunbartonshire and West Lothian.
- ◀ 11 ADSL stands for asymmetric digital subscriber line. These are standard copper wire telephone lines linked to boosters in the exchanges that improve their connectivity.
- ◀ 12 The European Commission published its [State aid](#)  notification for all BDUK projects in November 2012.
- ◀ 13 Competitive dialogue is a procurement process used for complex contracts where the buyer cannot define the technical solution in advance. Bidders develop their solutions through discussions with the buyer before submitting their tender.
- ◀ 14 The four initial companies were Fujitsu, Cable & Wireless, BT and Commendium. Fujitsu withdrew before submitting an outline solution and Cable & Wireless's solution was non-compliant. Commendium's solution was to deliver superfast broadband over powerlines. It, however, did not proceed past the competitive dialogue stage.
- ◀ 15 *The rural broadband programme*, National Audit Office, July 2013.
- ◀ 16 *The superfast (rural) broadband programme: update*, National Audit Office, January 2015.

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# Appendix 1

## Audit methodology

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We reviewed the following documents and papers:

- Scottish Government and HIE strategy and policy documents, reports and statistics
- contract documents, financial information and meeting minutes for both projects
- BDUK guidance papers
- reports and research by the Royal Society of Edinburgh, Carnegie Trust and other relevant organisations.

We interviewed staff and representatives from various public, private and third sector organisations including:

- Aberdeenshire Council
- BDUK
- Carnegie UK Trust
- Community Broadband Scotland
- Convention of Scottish Local Authorities
- Highlands and Islands Enterprise
- National Audit Office
- Ofcom
- Scottish Council for Voluntary Organisations
- Scottish Enterprise
- Scottish Futures Trust
- Scottish Government
- Wales Audit Office.

We used the information gathered to help develop the exhibits and data used in the report. Details of our approach are as follows:

### **Exhibit 3 showing maximum expected superfast broadband speeds**

BT provide the Scottish Government and HIE with a list showing the expected upload and download speeds for each premise in the areas where they are working each quarter. We used this information to calculate the average maximum download speeds, for the individual postcode area, that BT expects each premise to get.

We then converted the postcodes to grid references so we could use them in our GIS mapping software. This we plotted using the following bands:

- less than 24 Mb/s
- 24 to 30 Mb/s
- 30 to 40 Mb/s
- above 40 Mb/s.

We used an ordnance survey map background to plot the information.

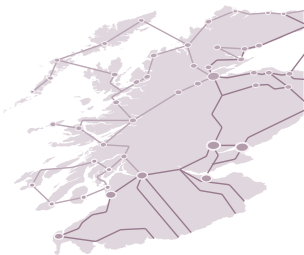
### **Exhibits 6 and 7 – Progress in providing access to superfast broadband**

These exhibits were developed from the project implementation plans and documents detailing changes from the original plans. They show the target number of premises for each quarter. We plot:

- the original target set out in the implementation plan in BT's bids
- the revised target after change controls are agreed
- and progress against the target, from BT's quarterly reports on this.

# Appendix 2

## Project advisory group



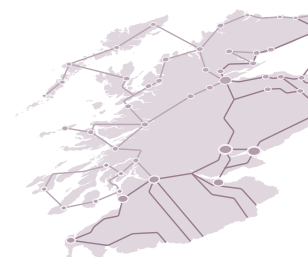
Audit Scotland would like to thank the members of the project advisory group for their input and advice throughout the audit.

Member	Organisation
Carroll Buxton	Highlands and Islands Enterprise
Colin Cook	Scottish Government
Sally Dyson	Scottish Council for Voluntary Organisations
Michael Fourman	University of Edinburgh / Royal Society of Edinburgh
James Fowlie	Convention of Scottish Local Authorities
Jeremy Morgan	Wales Audit Office
Raymond O'Hare	Institute of Directors

Note: Members of the advisory group sat in an advisory capacity only. The content and conclusions of this report are the sole responsibility of Audit Scotland.

# Appendix 3

## HIE and Scottish Government contracts – summary details



	Rest of Scotland	Highlands and islands
Contract signed	July 2013	March 2013
Construction period length	4 years 6 months	3 years 9 months
Work to build the network completed by	December 2017	December 2016
Number of premises that are expected to get access to superfast broadband through the contracts	595,000	151,000
Number of premises with access to broadband through commercial coverage, by 2015.	1,678,000	51,000
Area	27 councils in the south and east of Scotland, including parts of Argyll and Bute and North Ayrshire Council.	Orkney, Shetland and the Western Isles, Highland Council, Moray and parts of Argyll and Bute and North Ayrshire Council.
Coverage, based on contractual target	96 per cent overall; the lowest level of coverage is 89 per cent in Aberdeenshire. Five council areas, Dundee City, City of Edinburgh, West Lothian, Clackmannanshire and North Ayrshire, expect coverage of 99 per cent.	82 per cent, although HIE expect to exceed this and achieve 84 per cent; the lowest level of coverage is 70 per cent in the Western Isles and the highest is 93 per cent in Moray Council.
Total cost	£266.5 million over 11 years includes up to £13.5 million as an innovation fund and £2.2 million for demand stimulation.	£145.8 million over 4 years includes up to £2.5 million innovation fund.
Average amount the public sector is paying to bring superfast broadband to each premise	£230 per premise passed	£475 per premise passed

	Rest of Scotland		Highlands and islands	
Public sector funding sources over contract period	UK Government	£50m (19 per cent)	UK Government	£50.8m (35 per cent)
	EU	£20.5m (8 per cent)	Scottish Government	£41.3m (28 per cent)
	Scottish Government	£21.5m (8 per cent)	HIE	£11.4m (8 per cent)
	Individual council contribution	£50.7m (19 per cent)	Collective council contribution	£22.9m (16 per cent)
	Collective council contribution	£17.1m (6 per cent)		
BT contribution	£106.7 million, over 11 years		£19.4 million, over 11 years	
Procurement process	The Scottish Government used the BDUK framework. Fujitsu was involved in the procurement initially but then dropped out.		HIE's contract was awarded through a separate procurement that complied with EU rules. HIE had four companies interested; all but BT pulled out and only BT submitted a final bid.	
Backhaul cabling	Limited		400 km of subsea cables and 800 km of land cables	
Approach to sub 2 Mb/s premises	All premises to receive a minimum speed of at least 2 Mb/s using alternative technology.		No provision in contract for premises receiving lower than 2 Mb/s.	
Approach to marketing	£2.2 million allocated to BT for marketing and encouraging take-up of the service.		Led by HIE. £165,000 spend included in the Scottish Government's £2.2 million allocation for initiatives applying across all of Scotland.	

# Superfast broadband for Scotland

## A progress report

This report is available in PDF and RTF formats,  
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**Development Committee**  
**Policy and Resources Committee**

**15 June 2015**  
**22 June 2015**

## **Business Case for the Council's Role in Broadband Development (Process and Timescales)**

**Report No: DV-40-15-F**

**Report Presented by: Director of  
Development Services**

**Development Services Department**

### **1. Summary**

- 1.1 The purpose of this report is to lay out the process and timeline for conducting a business case analysis (using the CIPFA Better Business Cases Framework) to determine the Council's role in broadband development in Shetland.
- 1.2 The Council continues to take a very proactive role in the development of broadband in Shetland and the successes of Shetland Telecom and the Council's ICT Service have been noted in recent reports. Going forward the Council needs to be clear on what its role should be and how that will be delivered.

### **2. Decision Required**

- 2.1 That the Development Committee and Policy and Resources Committee RESOLVE to note the plans contained in this report to develop a business case for Shetland Islands Council Involvement in Broadband Development.

### **3. Detail**

- 3.1 Many of the high level Outcomes in the Council's Corporate Plan are dependent on high speed broadband connections. These range from Economic and Social outcomes to provision of Health & Care Services and Education. The target in the Council's Corporate Plan is to have high speed broadband available to 84% of the Shetland Population by 2017.

- 3.2 HIE/BT's Digital Scotland Superfast Broadband Project is now in its second year of a three year roll out in Shetland, with a target to reach 76% of Shetland premises by 2016 with Next Generation Access. Details of the HIE/BT roll out were reported to Development Committee on 14 January 2015 (Min Ref: 03/15), and to Policy and Resources Committee on 9 February 2015, (Min Ref: 05/15).
- 3.3 The Council's ICT Service currently run an ICT Network Strategy Board, which includes representatives from HIE and the Shetland Telecom project. A sub group of this board coordinates meetings with HIE, ICT, Community Planning and Development, Shetland Telecom, Community Broadband Scotland and BT, to work in partnership and engage with the community, to facilitate the roll out and uptake of high speed broadband.
- 3.4 Recognising the limitations of the current HIE/BT roll out programme, which is likely to improve as the roll out progresses to reach more than the current 76% target, the Council needs to better understand how it should engage going forward to maximise the benefits of high speed broadband to the Community and to the Council itself.
- 3.5 A project has been set up using the Better Business Case methodology to determine the Council's role in broadband development, and details and timescales for reporting are contained in Appendix 1 of this report.
- 3.6 It is recognised that expert resources will be required to achieve this project within an acceptable timeframe, and arrangements are being put in place to involve the services of those who delivered the CIPFA training on Better Business cases.

#### **4. Implications**

##### Strategic

- 4.1 Delivery of Corporate Outcomes – Shetland Islands Council's Corporate Plan 2013-17 contains a commitment to have high-speed broadband available to 84% of the Shetland population by 2017. This challenging target will require a concerted effort by all those parties involved in Shetland's telecommunications future.
- 4.2 Community/Stakeholder Issues – Consultation is ongoing with HIE/BT and every opportunity is being sought to work cooperatively with the HIE/BDUK project. Regular contacts are maintained with community groups in Yell and Unst as well as West Burrafirth, Fetlar and Vidlin.
- 4.3 Policy and/or Delegated Authority – This report has been prepared under policy 3.1 of the Economic Development Policy Statement 2013-17 (Development Committee, Min Ref: 37/13).

The Development Committee has delegated authority to implement decisions within its remit, in accordance with Section 2.3.1 of the Council's Scheme of Administration and Delegations.

The report is presented to Policy & Resources Committee as the resource implications arising from the business case will require to be addressed.

- 4.4 Risk Management – The Business Case for the Council's involvement in broadband development is being progressed. The detailed risks associated with the options for the Council's continuing and future role in the provision of high speed broadband connections across Shetland will be covered in the business case. The outcomes of this process will be used to determine the roles of Council ICT and Shetland Telecom in the longer term.
- 4.5 Equalities, Health and Human Rights – None.
- 4.6 Environmental – None arising directly from this report. The environmental impacts of any works on telecommunications infrastructure required for aspects of telecoms projects are considered as an integral part of each development.

#### Resources

- 4.7 Financial – All work identified in this report will be covered within existing budgets.
- 4.8 Legal – None.
- 4.9 Human Resources – None.
- 4.10 Assets and Property – Any further investment in assets will be covered by subsequent reports.

## **5. Conclusions**

- 5.1 The Council has played a very active and very successful role in the development and improvement of telecommunications in Shetland. This has been achieved through actual deployment of network links and also through political influence, negotiations and discussions with a wide range of stakeholders including Government, service providers and communities. By using the Better Business Case methodology to determine the Council's role in broadband development going forward, the Council should be able to make properly informed decisions, and maximise the benefits to both the community and the Council.

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Date: 8 June 2015

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## Background Documents

Appendix 1: Broadband Business Case Development Plan

END

Broadband Business Case Development Plan

**Development Committee 15 June**

Making the case for change, and describing timescales and process

**Corporate Plan 2013/17 refresh workshops, 19, 29 June**

**Stakeholder workshop**, to identify/agree:

The strategic case

The Economic case

Critical success factors

Development of Long List options (minimum 12 options)

**All Members Seminar**

**Development Committee 17 August (Gateway 1)**

Strategic Business Case presented for approval

**Stakeholder workshop**, to identify/agree:

The preferred option

**All Members Seminar**

**Development Committee 5 October (Gateway 2)**

Present Preferred Option to Committee

**Development Committee 16 November (Gateway 3)**

Investment decision. This may include capital works requests to Capital Programme