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Fair Isle Ferry Replacement Project

Equalities Impact Assessment and Fairer Scotland Duty Report

On behalf of **Shetland Islands Council**

SHETLAND ISLANDS COUNCIL

Document Control Sheet

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	Name	Position	Signature	Date
Prepared by:	Kathleen Morrison Jenny Keenan	Senior Consultant Graduate Consultant	KM JK	May 2024
Reviewed by:	Prudence Wales	Associate Consultant	PW	June 2024
Approved by:	Stephen Canning	Director, Transport Planning	*Stephen Canning*	18/06/2024
For and on behalf of Stantec UK Limited				

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1 Introduction

1.1 Background

1.1.1 Stantec UK Ltd has been commissioned by Shetland Islands Council (the Council), to assist with progressing the Fair Isle Ferry Replacement Project to delivery, building on long-term role in the project commencing at Strategic Outline Case (SOC) stage.

1.1.2 Shetland Islands Council funds lifeline[1] transport connections to nine islands across the archipelago. These connections are delivered through a combination of air and ferry services. The majority of ferry services are operated directly by the Council, with the exception of the Foula ferry route, the operation of which is contracted by ZetTrans and operated by BK Marine. Air Services are also provided by ZetTrans. ZetTrans has a statutory funding agreement with Shetland Islands Council, who are obliged to fund any financial deficit.

1.1.3 In 2014, Shetland Islands Council, through the *Our Islands, Our Future* initiative, began a dialogue with the Scottish Government on establishing some principles for the 'Fair Funding' of Shetland's inter-island transport services and infrastructure. The basis of these discussions was that the financial burden upon the Council of providing inter-island transport is disproportionate. The Scottish Government accepted in principle that a 'fair funding' position needed to be established and, to inform that, Shetland Islands Council and ZetTrans agreed to undertake a programme level business case to establish and appraise the service and infrastructure requirements for the inter-island transport network over a 30-year planning horizon.

1.1.4 In September 2015, the Council commissioned this programme business case, known as the Shetland Inter-Island Transport Study (SIITS), with a view to developing and appraising options for the future of the inter-island transport services. The output of the study was the development of a programme level Strategic Outline Case (SOC) that established the 'case for change' and identified a set of capital and revenue options for each island which, if delivered, would in-part or in-full address the identified transport problems.

1.1.5 The SOC was completed in Autumn 2016 and set out a range of capital and revenue options for all nine islands connected to mainland Shetland by the air and ferry services, together with a timeline for progressing specific elements of the SOC to Outline Business Case (OBC) stage. One of the priorities emerging from the SOC was the development of an OBC for a **new vessel and supporting infrastructure for Fair Isle**. This OBC was commissioned in August 2018 and was completed in December 2019. It was subsequently updated in 2021 in preparation for the first round of the *Levelling-Up Fund*.

1.1.6 Following an unsuccessful application to Round 1 of LUF, the Council reapplied in August 2022 and was successful in securing **£26.8m** of UK Government funding.

1.2 Public Sector Equality Duty

1.2.1 Section 149 of the Equality Act 2010 sets out a 'Public Sector Equality Duty' (PSED). This requires public authorities to have due regard to the need to eliminate discrimination, harassment, victimisation, advance equality of opportunity, and foster good relations between those with a protected characteristic and those without. The duty covers the following protected characteristics: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The Public Sector Equality Duty also covers marriage and civil partnerships, with regards to eliminating unlawful discrimination in employment.

1.2.2 The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 require listed authorities to undertake an impact assessment in relation to the needs outlined in section 149(1) of the Act and take

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[1] As defined on page 53, paragraph 8 of the *Scottish Ferries Plan 2013-22*.

account of the results of the assessment in development of a policy or project. The approach to the assessment has been informed by reference to the Scottish Government's general guidance on the PSED (Scottish Government, 2016) and relevant guidance on application of the duty in Scotland (Equality and Human Rights Commission, 2016).

1.3 Fairer Scotland Duty

1.3.1 The Fairer Scotland Duty (FSD) came into force on 1st April 2018 and places a legal responsibility on named public bodies in Scotland to actively consider ('pay due regard' to) how they can reduce inequalities of outcome caused by socio-economic disadvantage when making strategic decisions. This document includes an FSD Assessment in parallel with an EqIA.

1.3.2 Transport and connectivity has an underpinning role in tackling poverty, socio-economic and health inequalities and supporting inclusive economic growth. Barriers to transport place limitations on people's ability to access services and may contribute to social isolation, household economic stress and ill health and further exacerbate poverty and societal inequalities[2].

1.3.3 People living in rural and island areas are likely to have reduced access to employment and essential services. The affordability, availability and integration of transport to people facing socio-economic disadvantage through low incomes and wealth is a key equalities issue. This characteristic influences how people use and experience the transport network.

1.3.4 The cost of living is higher in the isles generally, with a 2013 HIE study[3] finding that the budgets required by households to achieve a minimum acceptable standard of living in remote rural Scotland were typically 10%-40% higher than elsewhere in the UK, and for households in more remote island locations, these additional costs could exceed 40%. This figure will be even higher in Fair Isle which, from a connectivity perspective, is one of the most remote islands in Western Europe. Further work by HIE in 2016[4] identified the key drivers of increased costs in island communities as including the following which are relevant to Fair Isle:

- The additional costs of occasional trips to the Scottish mainland (and, in the case of Fair Isle, mainland Shetland)
- Higher heating costs driven by lack of access to mains gas, the severe climate and in some cases older houses

1.3.5 Part-time work is much more prevalent in the isles generally, as are incidences, particularly in smaller islands like Fair Isle, of island residents holding multiple smaller and sometimes unpaid roles. Island economies are in general terms typified by under-employment, low wages and a seasonal economy.

1.3.6 In terms of the Fair Isle Ferry Replacement Project, the Fairer Scotland Duty consideration should include socio-economic disadvantage (influenced by income, wealth, material and area deprivation and socio-economic background); and inequality of outcome (including education, skills, employment, health and wellbeing, living standards and poverty).

1.4 Report Structure

1.4.1 This report sets out the background to the Fair Isle Ferry Replacement Project and presents the evidence base alongside the Equalities Impact Assessment and Fairer Scotland Duty Assessment process undertaken in support of the Full Business Case (FBC) being prepared for this project.

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[2] Lucas, K. S. (2019). *Inequalities in Mobility and Access in the UK Transport System.* Government Office for Science.

[3] Hirsch D, B. A. (2013). *A Minimum Income Standard for Remote Rural Scotland. .* Inverness: Highlands and Islands Enterprise.

[4] Hirsch, D. (2016). *A Minimum Income Standard for Remote Rural Scotland: A Policy Update.* Highlands and Islands Enterprise.

1.4.2   The table below outlines the structure of this report.

Table 1.1. Report structure

Section	Description
Section 1	Introduction
Section 2	Fair Isle Ferry Replacement Project
Section 3	Assessment frameworks and guide questions
Section 4	Stakeholder Engagement and Consultation
Section 5	Baseline conditions
Section 6	Equalities Impact Assessment
Section 7	Fairer Scotland Duty Assessment
Section 8	Summary of impact assessment

2   The Fair Isle Ferry Replacement Project

2.1   Introduction

2.1.1   This section presents a brief overview of Fair Isle and a summary of the evolution and resulting preferred option to address the issues, challenges and opportunities that have been determined through several years of work with the Fair Isle community in the form of the Strategic Outline Case (SOC), Outline Business Case (OBC) and now the Full Business Case (FBC).

2.2   Fair Isle

2.2.1   Fair Isle is the United Kingdom's most remote community, lying 24 miles off the southern tip of the Shetland Islands. The island is separated from mainland Shetland by a body of water known as the 'Roost', which has a reputation amongst seafarers as being one of the most demanding stretches of water in the UK, and indeed Europe. This means that the island is not just geographically remote but is also remote from a connectivity perspective – indeed, the island had no transport connections on 183 days in 2022. The Fair Isle ferry route is shown in the map below:
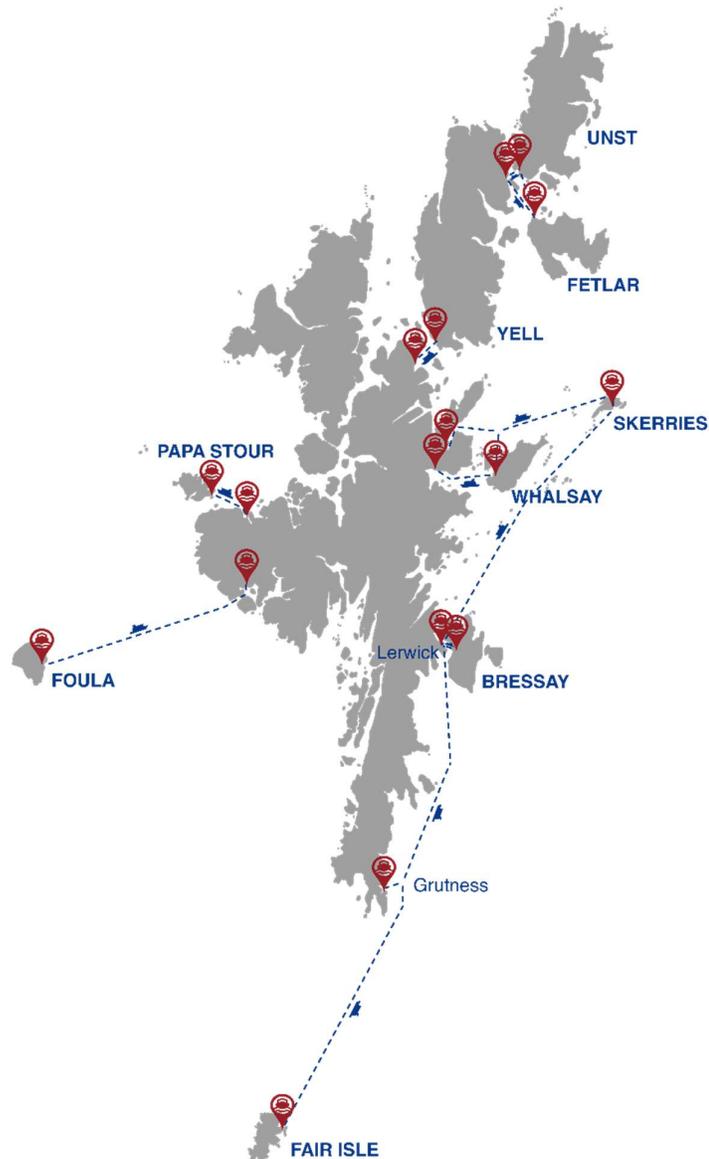
Figure 2.1: The Shetland internal ferry network

2.2.2   The island is within the Shetland Islands Council administrative area and is connected to mainland Shetland by two lifeline transport links. The main passenger link is through an air service delivered by an eight seat Britten-Norman BN-2 Islander aircraft. The ferry service provides the critically important supply-chain and freight link as well as capacity for 12 passengers per sailing.

2.2.3   The ferry serving Fair Isle, MV *Good Shepherd IV*, is 38-years old, built in 1986. The vessel is entirely deficient in meeting disabled access requirements. It is also significantly beyond what should be its service life and its condition puts it within two years of 'end of life'. There is an urgent need to replace the vessel and the supporting harbour infrastructure to avoid severely harmful impacts on this unique community.

2.2.4   Fair Isle is a place rich in wildlife, cultural heritage and community spirit. In addition to its famous knitwear, the island is best known for its bird observatory (FIBO), which was founded in 1948. FIBO

has provided a continuous record of bird migration patterns and thus plays an essential role in UK scientific research, particularly as we seek to better understand the implications of climate change on avian life and migration patterns.

2.2.5   Fair Isle has suffered from population decline in recent years with the main reasons given by those leaving being poor reliability and experience of transport links. In March 2019, the island suffered the devastating loss to fire of one of its defining features, the recently completed Bird Observatory building, a facility of international renown that attracted global visitors. This tragic event was compounded by the onset of the COVID-19 pandemic, which effectively suspended all visitor trips to the island.

2.2.6   The sustainability of the community in Fair Isle is deemed to be at particular risk if the life-expired vessel and current ferry infrastructure is not replaced in the immediate future. In a small island, it only takes one or two families to leave to undermine key services such as the primary school, health care or fire cover at the airfield. The provision of a new vessel and supporting infrastructure is integral to the future of sustainability of the island and is the focus of the business case supported by these impact assessments.

2.3   Preferred Option Overview

The scope of the Fair Isle Ferry Replacement Project has gradually evolved over time – significantly higher than forecast costs led first to a value engineering exercise and then latterly a descoping exercise. This section briefly summarises the chronology of events and the current preferred option package.

Initial preferred option – summary

2.3.1   Through the analysis undertaken in the OBC and updated at the outset of the FBC, it was determined that the preferred option was the **replacement of MV *Good Shepherd IV* with a bespoke Ro-Ro vessel**, which was Option 1 in the OBC. The main components of Option 1 are summarised below.

Strategic approach

2.3.2   The preferred option is to progress with a bespoke solution for Fair Isle with the **retention of an island-based vessel and crew**. To de-risk the adoption of an island-based option, the Council and the Fair Isle community are developing contingency and long-term crewing arrangements to ensure a clear succession plan for crewing the vessel.

Vessel

2.3.3   The preferred option for Fair Isle is a larger, faster monohull vessel built to modern standards. This new vessel is to be coded as a workboat, limiting the number of passengers to 12.

Ship-to-shore interface

2.3.4   The preferred option at OBC and submitted to the LUF was initially to provide a linkspan at both Fair Isle and Grutness to enable Ro-Ro capability at all states of the tide. This position has now changed, as will be described below.

Overnight berth

2.3.5   The preferred option is to upgrade the current overnight berthing arrangement at Fair Isle. The noust will be extended and will be accompanied by the provision of a new winch, winch house and cradle.

Procurement strategy

2.3.6   The LUF funding was predicated on full drawdown of all monies by 31st March 2026. This was a key constraint identified and, recognising this, an Infrastructure Procurement Strategy was developed which

recommended the use of a framework available to the public sector - SCAPE Procure Scotland Ltd ("SCAPE"). Through the SCAPE Framework Agreement, the Council was able to initiate a call-off for the civil engineering construction elements of the project much quicker than going to market as would typically be expected, essential given the fixed end date imposed by the governance surrounding the funding.

Revised Preferred Option – Ship-to-Shore Interface

2.3.7 In **July 2023**, Council Officers and advisors from Mott MacDonald and Stantec engaged the SCAPE Delivery Partner, to ensure the buildability of the design and develop costs informed by market engagement. Following iterative design work and the securing of quotations from sub-contractors, a budget estimate of **£64.14 million** emerged, which represented a **funding shortfall of £34.41 million in relation to the original total funding availability of £29.73 million**. Faced with this level of cost escalation set against a fixed LUF funding pot, it was necessary to **revisit and de-scope the ship-to-shore interface options**.

Investment Scenarios

2.3.8 Over the period **November 2023 to January 2024**, Council Officers and advisors from Mott MacDonald and Stantec identified a number of **potential future scenarios** exploring *value engineering* and *de-scoping* options. In these scenarios:

- *Value engineering* was defined as a reduction in the engineering works to reduce costs whilst still delivering the benefits the LUF grant was based on

- *De-scoping* was defined as eliminating elements of the project, resulting in a reduction in the benefits the funding was predicated on

2.3.9 Seven different scenarios were developed covering all options from delivering the initial preferred option without any amendment through to cancelling the project. These scenarios are summarised in the table below:

Table 2.1: Ship-to-shore interface investment scenarios

	Scenario	Description
Baseline	Deliver within current funding availability of £29.73m	Descoping of project to reduce costs to agreed funding.
1	Deliver full benefits with value engineering	Continuation of project through SCAPE Scotland Framework delivering all elements of the project that the funding was predicated on.
2	Replace linkspans with fixed ramps	Replacement of linkspans, which can operate at all states of the tide with fixed ramps, which are tidally constrained.
3	De-scoping	Removal of Ro-Ro capability, with the exception of occasional tidally constrained Ro-Ro operations across the existing quay at North Haven, Fair Isle.
4	Delay and go to the market with a de-scoped product	Same de-scoping as Scenario 3 but the relationship with SCAPE Delivery Partner would be terminated and a competitive tender carried out instead.
5	Like-for-like replacement	This option is the 'Do Minimum' as presented at outset of the Economic Dimension.
6	Early termination	Cancellation of the project subject to further work to find an alternative solution.

2.3.10 Shetland Islands Council approved the decision to progress with **Scenario 3** at its meeting on **24th January 2024**. However, following further cost escalation, **the Council decided at a meeting on 21st**

May 2024 to progress with Scenario 4 (the key difference with Scenario 3 being that the relationship with the SCAPE Delivery Partner was ended and the infrastructure works tendered). Details of the revised preferred option are set out below.

Revised Preferred Option

2.3.11 As noted at the outset of this section, the only element of the preferred option that is being substantively amended is the ship-to-shore interface, replacing the initial preferred option of Ro-Ro with Lo-Lo. This section therefore sets out the proposed new arrangements at North Haven and Grutness.

2.3.12 The objective of the Fair Isle and Grutness project is to upgrade the existing ferry terminals to facilitate a larger vessel to operate from these ferry terminals and create more sheltered conditions at Grutness pier.

<u>North Haven</u>

2.3.13 The proposed infrastructure works at Fair Isle include:

- Enlargement of the noust to accommodate a wider, longer vessel
- Construction of a new slipway and new boat cradle to accommodate a wider vessel
- Construction of a new winch house containing new winch and associated machinery for raising and lowering the vessel up and down the slipway
- Surfacing works
- Coastal protection works to South Haven beach using rock arisings from the noust enlargement (being progressed as a separate project)
- Dredging

2.3.14 The figures below show the revised proposals for North Haven, followed by a 3D visualisation:
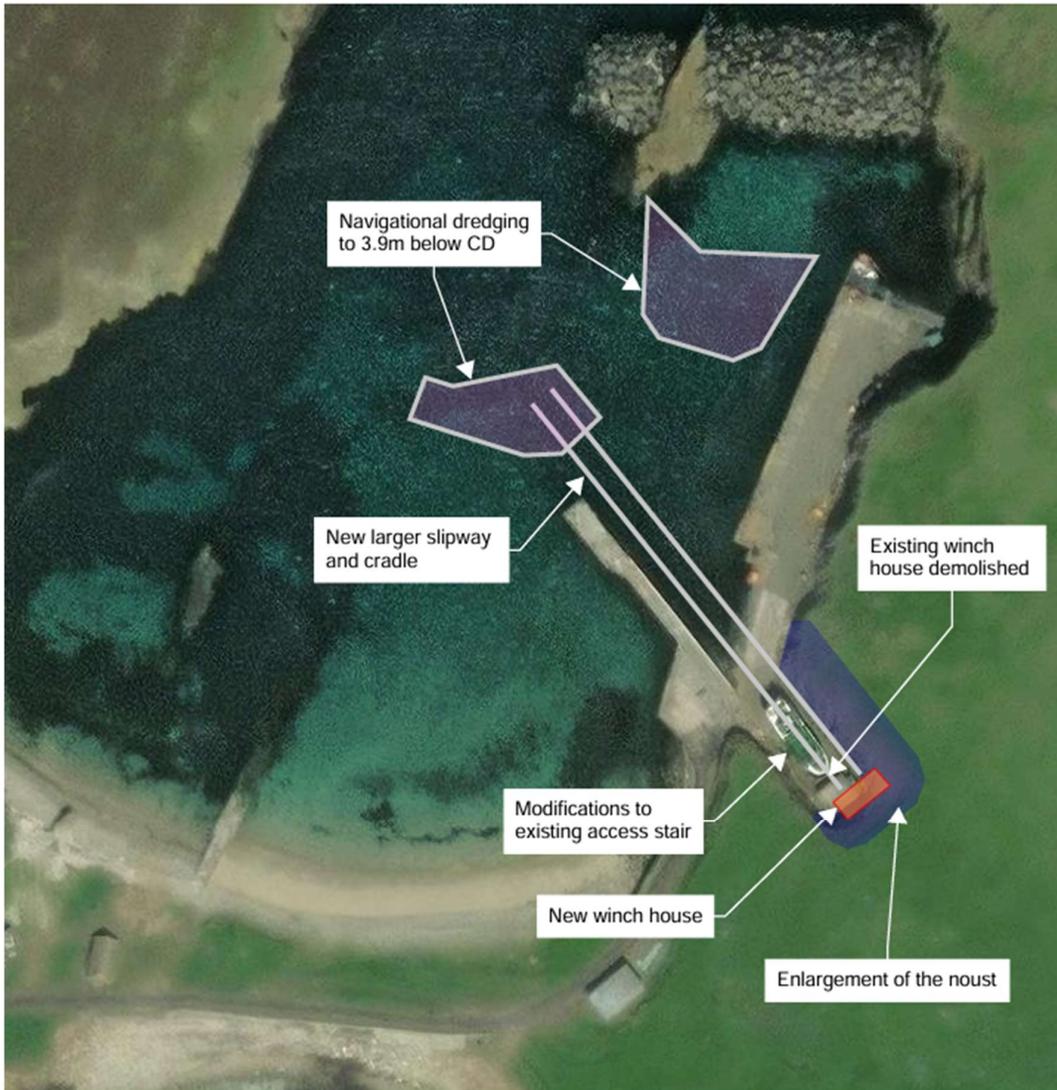
Figure 2.2: North Haven, Fair Isle preferred option

Figure 2.3: North Haven, Fair Isle preferred option 3D visualisation

2.3.15   This option retains much of the original proposals for Fair Isle, but the quay extension and linkspan have been removed. These elements of the scheme would have facilitated Ro-Ro options at all states of the tide and would have expanded the footprint of the quayside up to the existing breakwater.

2.3.16   This option also offers the occasional ability to operate Ro-Ro sailings from North Haven to Lerwick at certain states of the tide, by mooring to the existing quay at North Haven, in the area which has a removable cope. Such opportunities will be irregular given the need for tides, weather, crewing hours etc to align, but it is nonetheless an opportunity which does not routinely exist at present. This is the current practice when the Skerries vessel MV *Filla* (very infrequently) visits – to aid visualisation, an image of this vessel undertaking Ro-Ro operations at Fair Isle is provided below:

Figure 2.4: MV *Filla* undertaking Ro-Ro operations a Fair Isle, with MV *Good Shepherd IV in the foreground*

Grutness

2.3.17   The proposed infrastructure works at Grutness will upgrade and extend the existing berth and include:

- Construction of a new steel piled pier which encapsulates the existing pier and extends a further 22m beyond the length of the existing pier
- Construction of a 52m breakwater extension with dog leg to create a more sheltered wave climate on the berth
- Surfacing works
- Dredging

2.3.18   The figures below show the revised proposals for Grutness, followed by a 3D visualisation:

Figure 2.5: Grutness, preferred option

Figure 2.6: Grutness preferred option, 3D visualisation

2.3.19   At Grutness, the de-scoping of the project from Ro-Ro to Lo-Lo involved the removal of the linkspan, with a corresponding reduction in the length of the pier extension required.

3   Assessment Framework

3.1   Introduction

3.1.1   The following guide framing questions and assessment criteria matrix will be applied to testing the performance of the Fair Isle Ferry upgrade proposals in relation to implementing the PSED. This provides a transparent framework to assess the extent to which the Fair Isle Ferry upgrade proposal promotes equality of opportunity, including the removal of physical and cultural barriers to accessing and benefiting from the ferry upgrade.

3.1.2   This assessment has also been informed by reviewing a range of engagement and consultation activities that have been undertaken with relevant groups of interest and impact (as discussed below).

3.2   Equalities Impact Assessment Guide Questions

3.2.1   The framing questions, as set out below, have been designed to allow for testing the implementation of the PSED. These are based on the guidance provided by the Scottish Government regarding Equalities Impact Assessments (Scottish Government, 2022).

3.2.2   The framing questions have been applied in relation to the three key aims of the Duty:

- Eliminating discrimination, harassment and victimisation
- Advancing equality of opportunity
- Fostering good relations

3.2.3   The second of these aims involves:

- Removing or minimising disadvantages affecting people due to their protected characteristics
- Taking steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people
- Encouraging people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low

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Guide Questions: Public Sector Equality Duty

Will the proposal….
- *Result in any likely different or disproportionate effects on persons with protected characteristics as specified in the Equality Act 2010, namely age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation?*

How might the proposal support Shetland Council to fulfil the General Duty, specifically:

- *Eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct,*
- *Advance equality of opportunity, and*
- *Foster good relations?*

Baseline Data Sources

3.2.4   A range of data sources were used to inform the EqIA baseline, including:

- National Records of Scotland (2022) – Mid-2021 Population Estimates Scotland
- National Records of Scotland (2022) – Shetland Islands Council Area Profile
- 2011 Census – Scotland
- Public Health Scotland (PHS)
- ScotPHO Profiles
- Scottish Government – Equality Evidence Finder

3.2.5   The data sources listed above are fully referenced in **Chapter 7** and in **Appendix A**. It is though important to recognise that, in very small island communities such as Fair Isle, data are often dated or not sufficiently spatially disaggregated to draw firm and up-to-date conclusions.

3.3   Assessment Criteria Matrix

3.3.1   The following matrix will be used to assess any differential or disproportionate impact of the proposal on protected characteristics and in accordance with the EqIA.

Table 3.1: Assessment Criteria Matrix

Impact Score	Description	Symbol
Significant positive effect	The proposed option has the potential to contribute significantly to the requirements of the PSED, particularly to advancing equality of opportunity and meeting the needs of people with protected characteristics	++
Minor positive effect	The proposed option has the potential to contribute to the requirements of the PSED, particularly to advancing equality of opportunity and meeting the needs of people with protected characteristics, economic and social issues, but not significantly	+
Neutral effect	The proposed option is related to but has a neutral effect on the requirements of the PSED.	0
Minor negative effect	The proposed option has the potential to adversely affect the requirements of the PSED particularly with respect to advancing equality of opportunity and meeting the needs of people with protected characteristics	-
Significant negative effect	The proposed option has the potential to significantly adversely affect the requirements of the PSED, particularly with respect to advancing equality of opportunity and meeting the needs of people with protected characteristics	- -
Uncertain effect	The proposed option has an uncertain relationship to the requirements of the duty or insufficient detail, or information may be available to enable an assessment to be made.	?
No or negligible relationship	There is no clear relationship between the proposed option and the achievement of the PSED.	~

3.3.2   The assessment criteria provide an objective means of undertaking and reporting the equalities assessments of the proposal on a consistent basis. Commentary will be provided on any identified impacts in relation to the policy options and protected characteristics.

3.4   Fairer Scotland Duty Assessment Framework

3.4.1   The Fairer Scotland Duty (FSD) places a legal responsibility on public bodies in Scotland to actively consider how they can reduce inequalities of outcome caused by socio-economic disadvantage. The Duty seeks to tackle socio-economic disadvantage and reduce the inequalities associated with being disadvantaged. It is closely related to issues of poverty which may affect outcomes across health, housing, education and training and employment prospects.

3.4.2   The FSD identifies a need to consider both 'communities of place' and 'communities of interest' in terms of people who share an experience and are particularly impacted by socio-economic disadvantage.[5] Demographic groups who share one or more of the protected characteristics listed in Section 4 of the Equality Act 2010 can be considered 'communities of interest'.

Assessment Methodology

3.4.3   In terms of the Fairer Scotland Duty requirements, the following key stages are needed to demonstrate giving 'due regard' to influencing how the organisation considers socio-economic disadvantage and inequality of outcome as part of strategic decision-making for the Fair Isle Ferry Replacement Project:

- Planning
- Evidence
- Assessment and Improvement
- Decision
- Publication

3.4.4   In terms of Fair Isle, and islands more generally, they tend to be resilient, and also often innovative, including particularly in the field of community-based solutions (e.g., digital connectivity and energy supply). Island communities are often paving the way for ideas and solutions that can then be exported to the mainland. Whilst islands generally record high quality of life indicators in national surveys, there are also many challenges in their daily circumstances associated with their geographic location and remoteness.

3.4.5   This FSDA builds on this context with an understanding that the cost of living in remote island communities such as Fair Isle can be much higher, and that salaried jobs are very limited in number (regular commuting to mainland Shetland not being an option), and with lower and more seasonal wages.

3.4.6   The Equality topics set out below have therefore been used for the FSDA:

- **Deprivation:** Deliver a transport system that reduces inequalities of outcome resulting from multiple deprivation and supports economic development
- **Employment:** Deliver an effective and integrated transport system that secures jobs and that underpins economic growth and in turn job creation
- **Education:** Deliver a transport system that supports access to learning and education
- **Health and Health Inequality:** Maintain, or provide opportunities to improve human health for all in Fair Isle to minimise health inequalities

3.4.7   In respect of the Deprivation domain in an island context, It is widely acknowledged that identifying deprivation and inequalities within remote and rural communities is more difficult that in more densely population urban areas. Populations in rural communities are more heterogeneous and deprivation often occurs at a 'hidden' individual level rather than at an area-wide level. There are also particularly rural dimensions to deprivation in Scotland including higher costs of living, higher fuel consumption, fewer opportunities to earn adequate income, poverty is dispersed and often hidden, a prevailing culture of independence and self-reliance can also mask poverty, there is an exacerbated gender pay gaps, and many key services are less accessible (NHS Eilean Siar, 2012).

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[5] *Fairer Scotland Duty: Guidance for Public Bodies.* Retrieved from https://www.gov.scot/publications/fairer-scotland-duty-interim-guidance-public-bodies/

Fairer Scotland Duty Guide Questions

3.4.8   The following criteria have then been developed and applied to testing the performance of the Fair Isle Ferry Replacement Project in relation to implementing the FSD. This provides a transparent framework to assess the extent to which the project components reduce inequalities of outcome resulting from low income, low wealth, and multiple deprivation within the context of rural and island communities.

- **Will the emerging project and its associated delivery mechanisms:**
  - Help to reduce levels of absolute and relative income poverty, inequality in the distribution of household wealth, and levels of multiple deprivation affecting the Fair Isle community?
  - Reduce cost related barriers to accessing and use of all transport modes?
  - Reduce physical and informational barriers to accessing and using all transport modes?
  - Reduce unequal access to employment opportunities, social and cultural activities and public services and amenities for all?
  - Promote good local access to existing facilities, services, and employment, in particular for those facing socio-economic disadvantage?
  - The framing questions will be applied in relation to the two key parts of the Duty:
  - Socio-economic disadvantage (influenced by income, wealth, material and area deprivation and socio-economic background)
  - Inequality of outcome (including education, skills, employment, health and wellbeing, living standards and poverty)

4   Stakeholder Engagement and Consultation

4.1.1   This section sets out the continuous approach to community and stakeholder engagement that has been employed throughout the evolution of the Fair Isle Ferry Replacement Project, through both the Strategic, Outline, and Full Business Cases, and other aligned and associated projects and community conversations, all of which have informed the project over the years.

4.1.2   It is worth noting that the background to this project – identifying the case for change through the earlier stages of the business case approach pre-dated both the National Islands Plan, and the development and adoption of the Island Communities Impact Assessment approach and requirement – only in October 2020 did the Scottish Government issue guidance on ICIA under Section 11 of the Islands (Scotland) Act 2018 and relating to the duty imposed by Section 7 of the Act.

4.1.3   That said, the principles of the ICIA approach, evidenced from consideration as part of this ICIA of the Strategic Outline Business Case (SOBC), Outline Business Case (OBC) and Full Business Case (FBC) reporting, through earlier phases of work. This includes the following:

- Promote the voice of island communities – consultation and robust community engagement so that island residents are given a platform to voice their opinions, concerns and suggestions

- Helping to support strong, resilient and vibrant island communities

- Helping to meet the four principles of fairness, integration, environmental protection (green) and inclusiveness that underpin national work to support island communities

- Recognising that every person in Scotland has a right to live with dignity and to enjoy high quality public services wherever they live

4.1.4   This overview section presents and describes the key and ongoing community and stakeholder engagements, evidence bases and strategic viewpoints, dating back and commencing with the Fair Isle Development Plan, published in 2015.

Fair Isle Development Plan (2015)

4.1.5   Recognising the challenges facing the island, the Fair Isle Community Association (FICA) initiated work on a Community Development Plan for Fair Isle in summer 2014. The community-led plan was published on 7th April 2015 and provides a framework for the future economic development of the island. The Fair Isle Development Plan (FIDP) has been drawn upon throughout the evolution of the Fair Isle Ferry Replacement Project, and referenced as part of SBC and OBC reporting, but it is worth specifically drawing out the transport related considerations in this section.

4.1.6   The overarching Vision for Fair Isle set out in the FIDP is as follows:

- By 2020, Fair Isle will have a sustainable future with a growing, economically secure population with access to good quality affordable housing, reliable essential services that are fit for 21st century living and opportunities for employment. The community will have retained its strong cultural heritage and is dynamic, inclusive and outward looking. All that is special about the island's unique environment will be safeguarded and managed to the benefit of all.

4.1.7   Whilst the FIDP worked on a plan period of 2015-2020, it can be argued that the Vision remains relevant, even as the end of the Plan period has now passed, and despite the significant local, national and global changes, including the catastrophic fire that destroyed the Fair Isle Bird Observatory in March 2019, the changing national policy context, including the National Islands Plan published in December 2019, and the global COVID-19 pandemic from early 2020 and onwards.

4.1.8   The FIDP is also currently in the process of producing a new development plan for the island and have been engaged throughout the detailed design and preparation of the FBC.

Shetland Inter-Island Transport Study - Strategic Business Case (2016)

4.1.9 The Strategic Outline Business Case (SOBC) was developed between September 2015 and October 2016. It took the form of a Scottish Transport Appraisal Guidance (STAG) based appraisal, developing and appraising options for the nine island communities served by the inter-island transport network.

4.1.10 The SBC set out a range of capital and revenue options for all nine islands connected to mainland Shetland by Council funded air and ferry services, together with a timeline for progressing specific elements of the SOBC to Outline Business Case (OBC) stage. One of the priorities emerging from the SOBC was the development of an OBC for a new vessel and supporting infrastructure for Fair Isle.

4.1.11 Given the varied nature of the study area, it was essential to undertake a systematic baselining exercise to establish the specifics of each community and the problems and opportunities associated with their current transport connections to mainland Shetland. There were two parallel streams to this baselining exercise – the first component of this was a review of the services from the perspective of the public. This included engagement with the island transport representatives and public sector stakeholders.

Fair Isle Outline Business Case (2019)

4.1.12 The Fair Isle OBC was developed with critical input through engagement with the island transport representatives, the crew of the ferry, MV *Good Shepherd IV*, and public sector stakeholders. This was supplemented with a number of specific and focussed engagements, including:

- In terms of how **goods** are moved to and from Fair Isle, this has been established through consultation with the crew of MV Good Shepherd IV (who effectively act as the island 'haulier') and suppliers to the island

- Fair Isle has an established **tourism** industry and is a destination of global renown, famous both for the Fair Isle Bird Observatory (FIBO) and its knitwear. As well as attracting short and long-stay visits, the island is enticing an ever-increasing number of small cruise vessels, which tend to be at the high-value end of the market. As is common with small islands, data on tourism numbers is relatively limited – in order to develop an understanding of the tourism industry, the OBC process included telephone consultations with VisitScotland (Shetland) and FIBO (shortly before the fire)

- In terms of **education**, consultation with the Council Education Service was undertaken to consider both the delivery impact of primary education on the island, and the transport of children to and from and secondary education at Anderson High in Lerwick

- In terms of **health**, consultation was carried out with NHS Shetland to better understand how the needs of the island are served in terms of primary care, GP provision, dentistry, ante natal care and travel to hospital for appointments and emergencies

4.1.13 In order to collect the views of residents on the island's transport connections and how these impact on their lives, a **household survey** was carried out in early 2019 – see below

4.1.14 In order to gauge public opinion of the options developed, two public exhibitions were also held in Fair Isle:

- The SOBC public exhibition was held on 31st August 2016 and presented the process and outcomes of the Shetland Inter-Island Transport Study, including the shortlisted capital and revenue options for Fair Isle

- The outcome of the OBC – and in particular the preferred option – was presented to the community on 29th May 2019

4.1.15 Members of the public were invited to view the material, discuss the options with the team and complete a short feedback form. Some 40 Fair Isle residents attended the OBC consultation (almost the entire adult population of the island), of which 24 completed the feedback form. There was universal buy-in to

Fair Isle Household Survey (2019)

4.1.16 To collect the views of island residents on Fair Isle's transport connections and how these impact on their lives, a household survey was carried out in early 2019 (as part of the OBC process). Responses were received from 22 island households (likely to be around a half or more of the total households on the island). Salient points (as at 2019) from the survey are as follows:

- 85% of respondents do not consider the island's air and ferry connections as sufficient for their family's day-to-day needs, now and in the future

- 67% of respondents do not think that the current air and ferry connections to the mainland are sufficient for tourism in Fair Isle. This is a key finding as all respondents to the survey noted that they would like to see tourism develop further in the island

- Whilst there is a belief that services need to be improved, 77% of respondents did note that the current air and ferry connections are sufficient to ensure the long-term sustainability of the community

- 80% of respondents believe that improved connectivity between Fair Isle and mainland Shetland would make it a more attractive place for people to live and bring up families. This is a key finding given the aspirations of the Fair Isle Development Plan

4.1.17 Further specific findings with respect to the ferry service included:

- **One third** of residents had not used the ferry in the year prior to the survey being undertaken. For those who had used the ferry, they tended to do so less frequently than the air service – 32% had used it 1-3 times and 23% used it 4-6 times. Journey purposes when using the ferry service were similar to air. Conversely, all survey respondents had made at least one trip by air in the past year, with three quarters making between 4-9 trips per annum

- This compares to the National Islands Plan survey (in 2020) when nearly half of all 'Shetland Outer Isles[6]' respondents travelled 'at least once per week' by ferry – which indicates the more self-reliant or self-sustainable nature of Fair Isle, in part due to geography and connectivity, compared to the other 'Shetland Outer Isles'[7]

- The principal reason for using the ferry rather than taking the plane was disruption to the air service **(50%)** or inability to get a booking on the plane **(23%)**, which further highlighted the important role of the ferry as secondary / fallback mode of passenger travel, particularly for essential travel

- The primary sources of dissatisfaction with the ferry service were crossing time **(95%)**; comfort onboard **(80%)**; onward transport connections from Grutness **(74%)**; and arrangements for those with a disability **(70%)**. Two thirds of respondents noted that aspects of the ferry service prevented them using it more frequently, with the above reasons again being cited as the primary factors deterring use

- In travelling less frequently than desired, residents were predominantly missing out on health appointments **(36%)** and visiting friends and relatives **(32%)**

- Of the **12** respondents who noted that they would use the ferry service more often if their concerns were addressed, a modest uplift in usage could be anticipated – **58%** noted that they would make 1-3 additional return trips per month

- **85%** of respondents supported a combination of Grutness and Lerwick calls for the ferry service

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[6] That is all inhabited isles in Shetland other than mainland Shetland.

[7] Scottish National Islands Plan Survey (2020): results explorer (shinyapps.io)

Shetland's Islands with Small Populations – Locality Plan (2020)

4.1.18   Elected Members, Shetland Partnership partners and island communities, through consultations and forums such as the Commission on Tackling Inequalities, were increasingly expressing concerns and raising issues about Shetland's more remote island communities. The communities of Fair Isle, Fetlar, Foula, Papa Stour and Skerries are all remote from Lerwick (and in most cases mainland Shetland itself, in terms of distance or connectivity, or both) and all have permanent populations of fewer than 100.

4.1.19   In September 2019, representatives of the five communities were brought together to share experiences, discuss aspirations and establish shared priorities. The approach drew heavily on the Community Empowerment (Scotland) Act 2015 and the Islands (Scotland) Act 2018. The Community Empowerment (Scotland) Act 2015 was designed to ensure communities have greater influence and control over things that matter to them: committing government and public services to engage with, listen to and respond to communities, with communities having increased opportunities to develop and deliver services and initiatives that will have a positive impact on the outcomes of those living within them.

4.1.20   A final consultation on the Locality Plan itself was planned for March 2020 but postponed in light of the global pandemic. An online and virtual consultation process was subsequently run with communities and organisations during the summer of 2020.

4.1.21   One of the benefits of the restrictions has been that meetings have become online by default. For some of the islands, this has meant that attendance has been higher than under pre-COVID-19 conditions. The absence of travel time and greater availability of people means that Councillors and Officers have been more available to attend community and Community Council meetings.

4.1.22   Key facts, challenges and priorities for the future of Fair Isle as developed participatively with the community through the *Islands with Small Populations Locality Plan* are as set out in the figure inset.

Way Ahead Reports (January and May 2024)
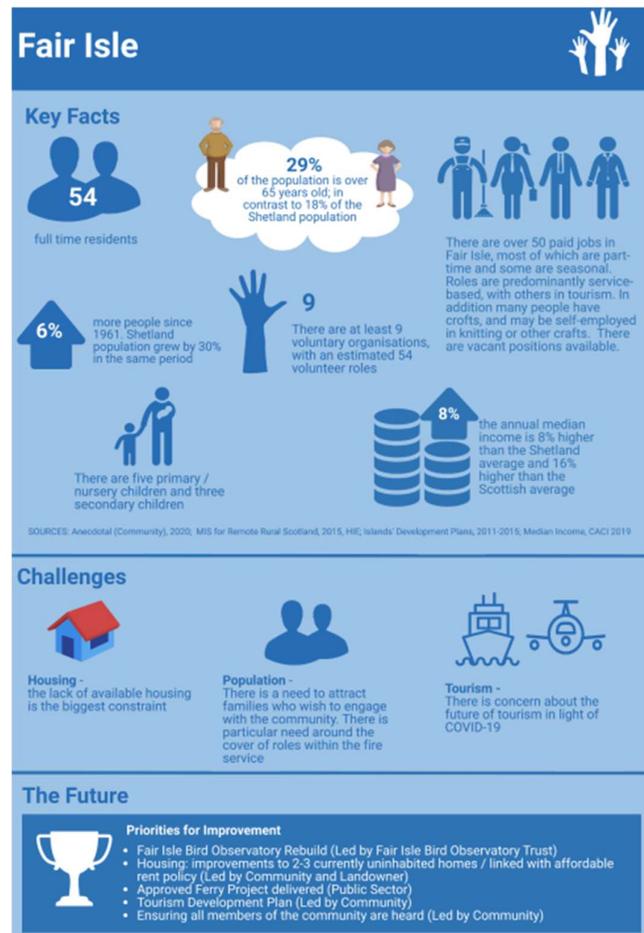
Figure 4.1 Islands with Small Populations – Locality Plan

4.1.23   The 'Way Ahead Report' is the document that has been presented to Council Members in January and May 2024 in response to project cost increases, detailing the recommendations of the project team on how the project should be progressed. Community engagement was a key part of this process and summary versions of these reports were presented island residents.

4.1.24   The first Way Ahead Report, produced in January 2024, details community engagement that was undertaken to arrive at the recommendation to Council Members on the project's direction. A briefing to

the community took place in Fair Isle on 8th January 2024. It was carried out as a hybrid event with key members of the project team in-person and online. The Council Officers presented the then financial position of the project which was followed by a Q&A session. Afterwards, a questionnaire for the community was launched and was live until 12th January 2024. The aim of this questionnaire was to understand what elements of the project are most crucial to the community, given the likely requirement to descope – key findings included:

- In total, **29 Fair Isle residents** completed the questionnaire: **7%** (2) of respondents were aged 16-34 years, **93%** (27) of respondents were aged 45+

- 'Providing a larger overall freight capacity (hold volume and total weight)' and 'Improving the quality, comfort and amenity of the crossing' were selected as a major benefit by the highest number of respondents, **86%** (25) and **83%**, (24) respectively

- A large majority of respondents, between 62% (18) and 66% (19), responded that a larger and faster monohull vessel operating on a Lo-Lo basis would still be positive or highly positive for the island and the community. Respondents cited accessibility, comfort, suitable methods to load and unload plant, equipment, tractors and other larger items, as well as journey times as key parameters for the replacement vessel

- The community was quite strong in stating that not replacing the vessel (early termination) and not providing a larger capacity (like-for-like) could not be considered as realistic options as they would both threaten the long-term viability of the island and its attractiveness to newcomers

4.1.25 A further virtual community briefing was undertaken on **21st May 2024** to advise on the second iteration of the 'Way Ahead Report', through which the decision to tender the infrastructure works was taken.

5 Baseline Conditions

5.1 Overview

5.1.1 Island communities can face many challenges when compared with mainland and urban areas. For example, on an island, it can be more difficult to access public services or employment, including high-quality employment. Also, the consequences of geography can create problems for island communities. These might include for example, a higher general cost of living, more expensive and more complex transport options, higher fuel or construction costs, higher costs from a public service delivery perspective that is not always fully understood or covered by central government funding, as well as environmental factors and infrastructure issues such as poor digital connectivity. For some island residents, rurality exacerbates inequality already experienced on account of protected characteristics under the Equalities Act or communities considered under the FSD.

5.1.2 This section provides an overview of key island issues for Fair Isle (and Shetland), drawing largely on secondary research, published data sources, wider policy and an understanding of the issues faced by small and remote island communities. It is worth reiterating here that the availability, age and spatial disaggregation of data are all challenges in drawing out Fair Isle specific insights.

5.2 Age

5.2.1 From the 2021 mid-year population estimates, on 30 June 2021, the population of the Shetland Islands was **22,940**. This is an increase of **0.3%** from 22,870 in 2020. Between 2001 and 2021, the population of Shetland Islands has increased by **4.5%**. Between 2001 and 2021, the **0-15 age group** saw the largest percentage decrease **(-14.2%)**. The **65 to 74 age group** saw the largest percentage increase **(+69.9%)**.

5.2.2 Fair Isle's population demonstrated relatively strong growth between 1981 and 2011 but is understood to have declined since then. Output Area data from the 2022 Scottish Census have not yet been published. However, an 'informal' census of the island population undertaken by Council Officers to inform the Final Business Case (FBC) suggests that the population is now thought to be in the region of 50-56 (permanent population can vary due to e.g., children living off-island when attending Anderson High School in Lerwick). This is expected to increase when the replacement Fair Isle Bird Observatory is completed in 2024, with two new flats being available for families. Fostering population growth was a key element of the island's Development Plan and remains a priority. The provision of a new and fit-for-purpose vessel is a key component of addressing the transport issues facing Fair Isle.

5.2.3 The Fair Isle population is also ageing, two thirds of respondents to the 2019 household survey[8] were aged 45 or over. Addressing this issue and raising overall economic activity rates is essential to the future sustainability of the island. Moreover, the ageing population brings the issue of physical access to and from Fair Isle by both the ferry and air service more sharply into focus. Securing a new ferry would provide a secure career opportunity for young people on the island and may in itself be a means of bringing down the average age of the population.

5.2.4 Current health care provision in Fair Isle is effectively worked around existing transport connections. Medical cover for Fair Isle is provided by the Levenwick Health Centre. There is also a resident district nurse. Services such as podiatry and dentistry visit the island and see patients at the nurse's surgery or residents' homes as is necessary. Day trips to mainland Shetland can be necessary for some medical appointments, such as visiting the optician, which cannot be claimed back through the Highlands and Islands Travel Scheme.

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[8] Carried out in early 2019 as part of the OBC process.

5.2.5   Some elderly people cannot travel or travel easily, because of the issues of accessing the ferry and / or aircraft. For example, some elderly residents will not attend dental check-ups on the island, as they know that they will not latterly be able to travel to the mainland for the required treatment.

5.2.6   Whilst there are effective means of delivering health care in Fair Isle, the Fair Isle Health Needs Assessment 2009 found that islanders have concerns about access to emergency care in treating potential life-threatening conditions such as an individual suffering a heart attack. The island residents are keen to explore different tele-communication / video-link methods and administrative solutions to alleviate concerns about access to GPs and medical advice, especially in poor weather. Residents were also concerned about limited social care services in Fair Isle (Shetland Islands Council, 2011).

5.2.7   There is a combined early years provision and primary school on Fair Isle. The Council Education Service notes a combined nursery / school roll in 2023 of five children in total. In order to ensure that Fair Isle children benefit from the full range or curricular activities, the teaching staff and Council organise events for primary school children in Lerwick, sometimes for a week at a time. This brings together children from across the isles and gives them a chance to learn and socialise in a larger group setting.

5.2.8   Fair Isle children undertake their secondary education in mainland Shetland at either Sandwick Junior High School or Anderson High School in Lerwick (predominantly the latter). The children live in hostel accommodation and return to the island every three weeks or so, using the air service to fly home on a Friday and back on a Monday morning. The accommodation building at Anderson High is new and there is a weekend flat attached, which parents have the use of to visit whenever they wish.

5.2.9   Equality issues relevant to children and young people who form part of this protected characteristic group are addressed in more detail in the evidence base presented in the companion Child Rights and Wellbeing Duty Assessment Report.

5.3   Disability

5.3.1   According to the Fair Isle Household Survey, one of the primary sources of dissatisfaction with the ferry service was arrangements for those with a disability **(70%)**. In travelling less frequently than desired, residents were predominantly missing out on health appointments **(36%)**. It should be noted that any passengers using the air service have to be capable of self-evacuating and thus, if they cannot do so, must travel on MV *Good Shepherd IV* instead. The ability to access the ferry therefore is crucial to social inclusion on the island.

5.3.2   As noted above, whilst some health care services are provided in Fair Isle, day trips can be necessary for some medical appointments. Some disabled people cannot travel or travel easily, because of the issues of accessing the ferry and / or aircraft, and this can be a barrier to accessing essential healthcare.

5.3.3   It is also difficult for those with a disability, or even people reduced mobility more generally, to access personal business, leisure and other opportunities on the Shetland or Scottish mainlands, a clear inequality posed by the transport network.

5.3.4   On a much more practical level, physical accessibility to the vessel falls well below modern legislative standards and is wholly inadequate. For those with a mobility impairment, the vessel is boarded / alighted through the passenger being placed in an open-top crate and craned onto the vessel, as is shown in the image below:

Figure 5.1: Access to MV *Good Shepherd IV* for the mobility impaired

5.3.5   Once onboard the vessel, assistance is required from the crew to move the passenger from the weatherdeck into the passenger lounge, as there is a large sill to negotiate.

5.3.6   Even for those able to board the vessel independently, access is challenging, particularly given the demographics of the island population, which is skewed towards the older age categories. Passengers board at the level of the wheelhouse and either have to: (i) descend an external ladder to the weatherdeck and then access the lounge over the aforementioned sill (see below left image); or (ii) descend by ladder through a narrow internal hatch to the passenger lounge (see below right image):

Figure 5.2: Access to the passenger lounge on MV *Good Shepherd IV*

5.3.7   Clearly, the above access arrangements are challenging both for the island population and visitors, whilst also being significantly outside of the regulations which would be applied to a vessel of modern design.

5.4   Gender Reassignment

5.4.1   There are no data available at an island or Council level in Scotland in relation to gender reassignment. Therefore, this protected characteristic will be scoped out of this assessment as it is unlikely to be impacted. Further information is provided in **Table 6.1.**

5.5   Pregnancy and Maternity

5.5.1   In Fair Isle, ante-natal care is provided in the first instance either by the Levenwick Practice or Gilbert Bain Hospital in Lerwick, which will undertake scans and routine appointments. Appointments are scheduled on the day in which a flight is available, albeit the reliability issues around the air service means that a degree of flexibility is required, but island residents are well accustomed to this.

5.5.2   In the later stages of the third trimester, a pregnant woman will travel off-island, staying close to the hospital in Lerwick – this will either be with relatives, or they will enter the health care system at this point. As is common across Shetland, if the pregnancy is high risk, the patient will be transferred to Aberdeen.

5.5.3   NHS Shetland noted that, whilst this has never happened, accommodating a home birth request on Fair Isle would be challenging. Medical practitioners would need to stay on the island for up to two weeks before the patient's due date which would present a resourcing and, potentially, an accommodation challenge.

5.5.4   The pregnancy and maternity experience is therefore more complicated than elsewhere in Scotland. This is particularly the case for women in late pregnancy, who need to spend much longer away from home and can endure delays getting home once their baby is born due to unreliable transport connections – for example, there were 25 days in December 2022 on which there were no air or ferry connections.

5.6   Race

5.6.1   The last Census (2011) found that the entirety of the Fair Isle population was 'White' (100%), compared to 98.5% in the Shetland Islands. Of the 68 people counted in the last Census, 33 identified as 'White: Scottish', 29 identified as 'White: Other British', 1 identified as 'White: Irish' and 5 identified as 'White: Other White'.

5.6.2   This protected characteristic will be scoped out of this assessment as the proposals are unlikely to result in a differential or disproportionate impact, further information is provided in **Table 6.1**.

5.7   Religion or Belief

5.7.1   The majority of the population in Fair Isle (38%) identify as having 'no religion'. This is similarly seen in the Shetland Islands (45.4%) and Scotland (37%). The leading religion in Fair Isle is 'Other Christian' (24%). However, in the Shetland Islands and Scotland the leading religion is 'Church of Scotland' (30% and 24% respectively).

5.7.2   There are two churches on Fair Isle, one Methodist and one Church of Scotland, both of which are linked to Christianity.

5.7.3   This protected characteristic will be scoped out of this assessment as the proposals are unlikely to result in a differential or disproportionate impact, further information is provided in **Table 6.1**.

5.8 Sex

5.8.1 In Fair Isle, 48.5% of the population are male, which is the exact same as the national average, but lower than the average for the Shetland Islands (51%). In Fair Isle, 52% of the population are female, which is the exact same as the national average, but higher than the average for the Shetland Islands (50%).

5.8.2 This protected characteristic will be scoped out of this assessment as the proposals are unlikely to result in a differential or disproportionate impact, further information is provided in **Table 6.1**.

5.9 Sexual Orientation

5.9.1 There are no data available at an island or Council level in Scotland in relation to sexual orientation.

5.9.2 This protected characteristic will be scoped out of this assessment as the proposals are unlikely to result in a differential or disproportionate impact, further information is provided in **Table 6.1**.

5.10 Marriage and Civil Partnership

5.10.1 In Fair Isle, a much higher proportion of the population aged 16+ are married (72%) compared to the Shetland Islands (50%) and Scotland (45%). Additionally, there is a lower number of people who are divorced in Fair Isle (6%), compared to the Shetland Islands (8.0%) and Scotland (8.0%).

5.10.2 This protected characteristic will be scoped out of this assessment as the proposals are unlikely to result in a differential or disproportionate impact, further information is provided in **Table 6.1**.

5.11 Local Demographic Profile

5.11.1 Please see **Appendix A** for an overview of demographic profile and protected characteristics by geographic study areas.

5.12 Key Island Issues

5.12.1 Section 4 of the Island Communities Impact Assessment (ICIA) (Stantec, 2024), prepared in support of the FBC, presents an overview of key issues for Fair Isle (and Shetland). The main issues taken into consideration are set out below.

Depopulation

5.12.2 Fair Isle's population demonstrated relatively strong growth between 1981 and 2011 but this cumulative growth was offset between 2011 and 2018, with the permanent population now understood to be in the region of 50-56. Fostering population growth is a key element of the FIDP and addressing the transport issues facing Fair Isle is deemed to be an important element of this plan, second only to housing availability in importance.

5.12.3 The Fair Isle population is also ageing. Addressing this issue and raising overall economic activity rates is essential to the future sustainability of the island. Moreover, the ageing population brings the issue of physical access to and from Fair Isle by both the ferry and air service and the delivery of health and social care more sharply into focus.

Economic development

5.12.4 The cost of living on Fair Isle is high - there are no empirical data showing wages at the Fair Isle level, but the economic base of the island suggests that they are likely to significantly lag both the Shetland and Scotland averages, particularly given that there are few permanent salaried posts. Indeed, Fair Isle is very much a circular economy, where much of the income generated is spent locally.

5.12.5 In this context, it is essential that the Fair Isle ferry is based in and crewed from the island. The ferry service employs four permanent crew. The Council has also recently advertised an additional Deckhand post, for which the National Trust for Scotland has reserved a vacant property on the island. These are some of the few salaried posts in the island, allowing both the crew and their families to live there and also to undertake multiple other jobs on the island, including the provision of fire cover at the airfield. Retaining this base population is crucial to the viability of island facilities such as the primary school and shop.

5.12.6 The Fair Isle population is highly qualified / skilled (measured in terms of formal qualifications), which is clearly beneficial in a community where each individual needs to have a wide array of talents. The high qualification levels hint at a pattern of in-migration amongst the more highly skilled cohorts.

5.12.7 The loss of the Fair Isle Bird Observatory in March 2019 was a major setback for the island, as it provided the majority of the island's tourist accommodation and brought a significant number of visitors to Fair Isle each year. However, in May 2022, the plans for the rebuild of the Bird Observatory received planning permission, with the Council's Planning Service noting that the £7.4 million development has a *"key role in promoting the environment, is a focus for tourism and provides a source of employment in the island".* The new observatory is now wind and watertight, and it is hoped that it will be open in 2025.

Figure 5.3: Artist Impression of New Fair Isle Bird Observatory, sourced: Shetlandnews.co.uk

5.12.8 Whilst Fair Isle is currently facing a number of challenges, it is both a resilient and cohesive community. The population is committed and highly skilled, and the island has global recognition and goodwill. Moreover, there have been a number of recent improvements to island infrastructure, including the provision of 24-hour electricity.

5.12.9 Fair Isle is a traditionally crofted island and has a strong local sheep farming industry which is an important component of economic activity on the island. Very little livestock moves out of Fair Isle through the year, other than in September. This is consistent with the overall movement of livestock from Shetland. Fair Isle livestock is considered high quality and attracts good prices, so weather disruption can materially affect the return crofters can make if livestock misses the 'peak' sales and condition opportunities.

5.12.10 Beyond agriculture and crofting, the economy also includes arts, crafts production, tourism and other micro enterprises. This includes production of eponymous high-end and globally recognised Fair Isle knitwear.

Environmental protection

5.12.11 Fair Isle is privately owned by the National Trust for Scotland and is covered by numerous environmental designations.

5.12.12 Fair Isle's community Marine Environment and Tourism Initiative saw its seas become the first designated Demonstration and Research Marine Protected Area in Scotland. It is used to research the ecological features and impacts on local seabird populations and the wider marine environment, as well as to consider the socio-economic value of a healthy marine environment and partnership-led management.

Health, wellbeing and education

5.12.13 Current health care provision is dependent on existing transport connections. Some of the main issues associated with this are outlined under the equalities baseline above for age, disability, and pregnancy and maternity.

5.12.14 Similarly, challenges for secondary education provision are noted in the equalities baseline for age.

Community empowerment

5.12.15 Nationally, and within Shetland, there is a recognition of the need for community participation in the design and delivery of public services and to build community capacity, recognising the particular needs of communities facing multiple social and economic challenges.

5.12.16 Community involvement has been central to the evolving progress of the SOBC and OBC in recent years – community co-design has been an ongoing participatory approach to designing the solutions, in which community members have been treated as equal collaborators in the design process. The crew of MV *Good Shepherd IV* have in particular been integral to the ongoing vessel and infrastructure specification process.

5.12.17 To support this, a public exhibition was held in Fair Isle on 29th May 2019. The study process and options, together with recommendations on the preferred option, were presented on display boards. Members of the public were invited to view the material, discuss the options with the team and complete a short feedback form.

5.12.18 Some 40 Fair Isle residents attended the consultation (almost the entire adult population of the island), of which 24 completed the feedback form. Respondents to the feedback form were specifically asked whether they agreed with the preferred option. There was universal agreement with the proposed preferred option – of particular importance to residents were the proposals to:

- Retain the vessel on-island
- Improve access to the vessel through boarding via the linkspan
- Offer a faster and thus potentially more reliable crossing
- There was also a desire to ensure that vehicular access to the island by non-residents is controlled

5.12.19 Ongoing engagement has been held throughout the FBC process. This includes in-person workshops held in Fair Isle and Grutness to discuss the preferred option for the Fair Isle Ferry Upgrade in September 2023. In January 2024 a hybrid community engagement event was held to provide an update on de-scoped options following cost increases (8th January 2024). Online community engagement events have been held to discuss the de-scoped and preferred options following board meetings on 8th January 2024 and 21st May 2024.

Transport

5.12.20 Lifeline transport to / from Fair Isle, as has been described, is delivered through by a combination of air and ferry services, with the ferry predominantly fulfilling a supply-chain role.

5.12.21 As the National Islands Plan describes *"transport (air, road, ferry, bus and other shared transport, active travel and mainland rail services) is of great importance to island communities and is a key factor in the ability of individual residents to, for example, access services and enjoy fundamental human rights."* Furthermore, *"without adequate transport links to and from an island and between islands, the island*

community will be in a disadvantaged position compared to similar mainland communities…transport is, hence, a key part of an integrated and sustainable approach to island policy."[9]

Digital connectivity

5.12.22 The National Islands Plan also describes that digital connectivity is a key enabler for economic growth, particularly in Scotland's more remote and rural areas. *"Access to good quality digital infrastructure is essential to improving the majority of other sectors on islands, including sustainable economic development, depopulation and health and wellbeing."*

Fuel poverty

5.12.23 The National Islands Plan flags that extreme fuel poverty rates are higher for most of the island authorities (ranging from 18% in Shetland to 25% in Comhairle nan Eilean Siar over the 2015-17 period) than for Scotland as a whole (12%). It is also known that extreme fuel poverty can be particularly difficult to eliminate in island communities where building types are harder to improve to the required energy efficiency standard and opportunities to reduce fuel costs are more limited. This is particularly the case in Fair Isle, where physical limitations with the ferry and overall connectivity act as a barrier to bringing necessary materials to Fair Isle or make it particularly expensive to do so.

5.12.24 The latest government statistics (Scottish House Condition Survey) show that 31% of all households in Shetland are in fuel poverty with 22% living in extreme fuel poverty[10] as compared with 11% in urban areas. This situation is only likely to have become worse with the recent exponential increase in wholesale energy prices.

5.12.25 That said, as part of the Fair Isle Energy Project, which was officially opened on Friday 12th October 2018, providing the island with 24 hour electricity for the first time through a renewable electricity system (Scottish Government, 2018)[11]. The Fair Isle Energy Project consists of three 60kW wind turbines, a 50kW solar array, battery storage to allow 50 hours of energy to be stored and a new high-voltage system across the island.

Land management

5.12.26 The majority of the land on Fair Isle is owned by the National Trust for Scotland (NTS), with any prospective residents having to apply to the Trust should they wish to move to the island. The NTS owns 25 properties on Fair Isle that are let and lived in, of which 14 are croft houses and 11 are residential terraces (as at December 2023). These properties range from circa 4-20 hectares in size.

5.12.27 Whilst the NTS owns the majority of the croft houses, many residents have carried out extensive renovations to the houses and other croft outbuildings for which the Trust would have to recompense crofters on transfer to a new tenant. The current housing tenure rules safeguard the island against absentee owners, which is important for the long-term future of the island (i.e., the population and housing stock is too small for owners to live off-island and the community still to be viable).[12] Moreover, the rents charged by the NTS are small, which partly offsets the higher cost of living and working on the island.[13] Indeed, the NTS noted that Fair Isle is one of the few properly crofted islands remaining – there has been very little decrofting and the 'one house, one croft' principle remains strong on the island.

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[9] The National Islands Plan for Scotland's Islands: Supporting documents - The National Plan for Scotland's Islands - gov.scot (www.gov.scot)

[10] In Scotland, extreme fuel poverty is measured, occurring where more than 20% of the income after housing costs is spent on required fuel costs and there is insufficient residual income to maintain an acceptable standard of living (ONS, 2023).

[11] Scottish Government, 2018. Powering Fair Isle. Available online: https://www.gov.scot/news/powering-fair-isle/

[12] Securing Fair Isle's Future: A Plan for Action (Fair Isle Community Association, 2015), p. 12.

[13] Securing Fair Isle's Future: A Plan for Action (Fair Isle Community Association, 2015), p. 15.

5.12.28 There are three further NTS units that require renovation to be habitable. Of these, the downstairs of South Lighthouse is in the best condition and has scope to be renovated as two units (one and two bed). The renovation of these homes is an important future opportunity as both the NTS and community recognise the need for around six new homes, as well as starter / gateway housing catered to small families who wish to try island living.

5.12.29 Outwith crofting properties, there are a small number of privately owned homes, two Council social-rented houses, a teacher's house and a house for NHS staff.[14] The new Fair Isle Bird Observatory will also have permanent accommodation for the wardens and their family.

5.12.30 Whilst the property mix on the island promotes continued crofting and provides housing for key occupations; it is not without its challenges and is a constraint to the growth of the island:

- The FIDP notes that the NTS was previously highly active in renovating crofts and also undertook a regular programme of capital works on the island. However, as with many organisations, a reduction in funding and increasing costs has reduced the level of investment[15]

- There is also considered to be a shortage of linked housing for key workers, whilst there is also a concern that the allocation of social housing by the Council can be done in such a way that it does not take account of the specific needs of Fair Isle[16]

- The cost of getting construction materials to the island is a challenge. The weight limitation on MV *Good Shepherd IV's* crane as well as limited deck space means that she cannot always be used for bringing in larger pieces of kit. In addition, the inability to move goods on wheels means double handling, and all of the costs and challenges that come with that. This compounds the already challenging lack of local building skills, which adds delay and cost to any newbuilds or maintenance[17]

5.12.31 The NTS highlighted in our consultation with them that additional housing is required to support the emergence of a long-term sustainable population. The Trust has no issue attracting applicants to live in Fair Isle, but the lack of properties is seen as a constraint. The ferry service is considered a barrier to developing / renovating properties, with the NTS having to accept the financial risk of disruption and 'false mobilisation'. It was noted that an improved service with at least an occasional Ro-Ro facility would reduce delays and costs in the supply-chain, making building and renovation more affordable.

5.12.32 A survey of the Fair Isle diaspora undertaken as a part of the FIDP confirmed the above point, suggesting that there is interest in moving back to the island but that the availability of housing is a frequently cited challenge in this respect. Whilst new ferry infrastructure would not address this problem in its entirety, it would make it easier, more reliable and less expensive to move goods on and off the island.

Biodiversity

5.12.33 The National Islands Plan notes that many of Scotland's islands have a strong traditional dependence on marine and coastal biodiversity for their food, industry, and transport.

5.12.34 Specifically, it describes itself as a green plan - harnessing the opportunities of a greener, fairer economy while working towards ending Scotland's contribution to climate change. The Plan highlights that this is not just about protecting Scotland's beautiful islands, their biodiversity and dealing efficiently with biosecurity, but also about focussing on the opportunities that Scotland's islands have because of their environment and natural resources and assets. This is considered to provide an opportunity to harness the potential of a green and blue economy in the context of the wider climate emergency.

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[14] Securing Fair Isle's Future: A Plan for Action (Fair Isle Community Association, 2015), p. 13.

[15] Securing Fair Isle's Future: A Plan for Action (Fair Isle Community Association, 2015), p. 26.

[16] Securing Fair Isle's Future: A Plan for Action (Fair Isle Community Association, 2015), p. 24.

[17] Securing Fair Isle's Future: A Plan for Action (Fair Isle Community Association, 2015), p. 25.

6 Equalities Impact Assessment

6.1 Scoping

6.1.1 In order to keep this EQIA proportionate and relevant to the scheme being assessed the following scoping exercise has been undertaken with regards to the protected characteristics.

Table 6.1: Scoping rationale table

Protected Characteristic	Scoped In / Scoped Out	Rationale
Age	In	Proposals may result in a differential or disproportionate impact in relation to Age.
Disability	In	Proposals may result in a differential or disproportionate impact in relation to Disability.
Gender Reassignment	Out	There is a lack of data available in relation to Gender Reassignment. It is also considered that the proposals are unlikely to result in a differential or disproportionate impact in relation to Gender Reassignment.
Pregnancy and Maternity	In	Proposals may result in a differential or disproportionate impact in relation to Pregnancy and Maternity.
Race	Out	Proposals are unlikely to result in a differential or disproportionate impact in relation to Race.
Religion and Belief	Out	Proposals are unlikely to result in a differential or disproportionate impact in relation to Religion and Belief.
Sex	Out	Proposals are unlikely to result in a differential or disproportionate impact in relation to Sex.
Sexual Orientation	Out	Proposals are unlikely to result in a differential or disproportionate impact in relation to Sexual Orientation.
Marriage and Civil Partnership	Out	Proposals are unlikely to result in a differential or disproportionate impact in relation to Marriage and Civil Partnership.

6.2 Assessment of the Preferred Option

6.2.1 Table 6.2 below outlines stakeholder and consultation evidence relevant to each of the scoped-in protected characteristic, including:

- Age

- Disability

- Pregnancy and Maternity

6.2.2 Table 6.3 presents an equality impact assessment for each of the scoped-in protected characteristics and table 6.4 details how the proposal meets the requirements of the PSED.

Table 6.2. Stakeholder Consultation and Evidence

Stakeholder Consultation and Evidence	
Age	• The Fair Isle population is ageing, 23% of the island's population is aged 65 years and over. • Physical access challenges with the existing vessel have been raised during public consultation. With an ageing population in Fair Isle and Shetland more widely, accessibility and comfort onboard the ferry service is an important consideration as people more likely to experience mobility challenges as they age. This is particularly important from a social inclusion perspective, as only those that can self-evacuate can use the air service. • Residents of all ages have a need for day-trip appointments, such as visiting the dentist or optician, which cannot be claimed back through the Highlands and Islands Travel Scheme. ▪ In the questionnaire provided alongside the first 'Way Ahead Report' (January 2024), providing step-free access to the vessel' was noted by 21 respondents (72%) as a major benefit and 6 respondents (21%) noted it would be a minor benefit. One respondent raised the importance of "improved accessibility … improved passenger comfort and welfare, ability to move around, toilets and better seating."
Disability	According to the Fair Isle Household Survey 2019, one of the primary sources of dissatisfaction with the ferry service was arrangements for those with a disability (70%). In travelling less frequently than desired, residents were predominantly missing out on health appointments (36%). ▪ In the questionnaire provided alongside the first 'Way Ahead Report' (January 2024), one respondent highlighted the "lack of disabled access" as a major issue associated with the current vessel. 'Providing step-free access to the vessel' was noted by 21 respondents (72%) as a major benefit and 6 respondents (21%) noted it would be a
Pregnancy and Maternity	▪ According to the Fair Isle Household Survey 2019, one of the primary sources of dissatisfaction with the ferry service was comfort onboard (80%). In travelling less frequently than desired, residents were predominantly missing out on health appointments (36%).

Equalities Impact Assessment

Table 6.3: Equalities Impact Assessment

Does the proposal differentially or disproportionately affect the following protected characteristics?		
Protected Characteristic	Impact	Rationale
Age	+	A new ferry would advance equality of opportunity for older people as a more reliable, comfortable and accessible service would allow people of all ages to travel more easily to and from Fair Isle.
		Whilst there are effective means of delivering health care in Fair Isle, the Fair Isle Health Needs Assessment 2009 found that island residents were concerned about limited social care services on Fair Isle (Shetland Islands Council, 2011). An ageing population requires greater access to healthcare services compared with other age groups. There are currently a number of challenges linked with healthcare access for Fair Isle residents as a result of low frequency and poor reliability of the existing ferry services. This may incur greater travel costs for residents, or the NHS, where overnight stays are required. It also means that residents are away from home for longer periods of time.
		Some older people cannot travel or travel easily due to issues accessing ferry services and / or aircraft. Some older residents are therefore reported to be less likely to attend healthcare appointments such as dental check-ups, due to these travel challenges. A faster, more comfortable and more reliable vessel could support some older adults with their journey's to and from the island by removing some of the current accessibility barriers associated with the Fair Isle to Grutness route.
		Enhanced reliability of the ferry service and improved comfort and accessibility would facilitate more Fair Isle residents, particularly those who are older, to attend medical appointments on mainland Shetland. A more reliable and resilient ferry service would also support the delivery of medical supplies to the island. Perhaps most importantly, it would support on-island service provision by NHS Shetland.
		In relation to the ageing population, securing a new ferry would provide more secure career opportunities for young people on the island and may in itself be a means of bringing down the average age of the population and reducing depopulation.
		Children and young people in secondary education also have to travel every three weeks (weather allowing) to and from either Sandwick Junior High School or Anderson High School in Lerwick. Whilst attending school, pupils live in hostel accommodation and return home to Fair Isle for a weekend every three weeks or so using the air service. The accommodation building at Anderson High provides facilities that allow parents to visit and stay occasionally. There appears a general acceptance that children leaving the island to attend secondary school for several weeks at a time is a fact of island life. However, Fair Isle residents have expressed that they would like children to be able to return home more frequently. Evidence also suggests that schooling arrangements may also be a deterrent in terms of attracting in-migration to the island.

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Does the proposal differentially or disproportionately affect the following protected characteristics?		
Protected Characteristic	**Impact**	**Rationale**
		A new ferry service would advance equality of opportunity for young people as it would allow those who attend secondary school in Shetland to return home more frequently. This may in time encourage in-migration to the island as evidence from the Fair Isle household survey shows that children attending secondary school away from home is currently a potential deterrent for new families who are considering moving to the island. Additionally, a new ferry could provide more jobs for young people which may not have been available before. In relation to job security for young people and the potential to attract young people to stay on the island, a more reliable and resilient ferry service may attract more visitors to the island which may increase the number of jobs related to tourism. Additionally, the FIDP set out aspirations to up-skill the island population and create well-paid and secure jobs which could also assist in retaining population and / or attracting new families to the island. The retention of the ferry on-island is essential to this, as these are 'anchor' posts, providing secure employment for a crew who also then fulfil multiple other roles in Fair Isle. Whilst there would clearly be benefits for those with this protected characteristic, it is important to note the primary role of the ferry is to serve the needs of the island's supply-chain, and therefore a **minor positive impact** has been identified.
Disability	+	As stated in Table 6.2, physical accessibility to the current vessel falls well below modern legislative standards. This is a particular concern for those on Fair Isle who have a disability or reduced mobility more generally. People who report having 'very bad health' and 'bad health' in Fair Isle (5.9%) make up a larger proportion of the population than in the Shetland Islands (3.4%) and Scotland (5.6%). Therefore, accessibility issues related to the current vessel are a major issue. The proposal will provide step-free access to, from and onboard the vessel which will significantly improve physical accessibility for disabled people, especially those who require wheelchairs or have mobility issues. The proposal will offer a more comfortable and possibly slightly shorter journey time which will benefit people with disabilities who may experience discomfort more easily. Toilet facilities will also be provided on board. This positively supports residents wishing to undertake more frequent, affordable and reliable journey to mainland Shetland and will improve accessibility and comfort for tourists and visitors undertaking journeys to Fair Isle. A new ferry would advance equality of opportunity for disabled people as a more reliable, comfortable and accessible service would better support disabled passengers travelling to and from Fair Isle. It would also support disabled people who may require medical care or access to other services on mainland Shetland. A more reliable and resilient ferry service would also support the delivery of medical supplies to the island. It would also support on-island service provision by NHS Shetland and may contribute to reducing the number of appointment that require disabled people to travel off-island to attend. Therefore, a **minor positive impact** has been identified.

Does the proposal differentially or disproportionately affect the following protected characteristics?		
Protected Characteristic	**Impact**	**Rationale**
Pregnancy and Maternity	+	Delivering both ante-natal and post-natal care in Fair Isle is challenging. Pregnant woman generally need to leave the island much earlier in their third trimester than they would elsewhere in Shetland and spend longer in the healthcare system. Travelling home after the baby is born is also more challenging, particularly given long periods during winter when services are cancelled. Given the supply-chain role of the ferry, the project will only record a minor positive in this respect, but it will still increase choice and flexibility. Therefore, a **minor positive impact** has been identified.

How does the Proposal Contribute to the Public Sector Equality Duty?

Table 6.4. How does the proposal contribute to the PSED.

Does this proposal contribute to the <u>Public Sector Equality Duty</u>?			Rationale
Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.	Yes ☒	No ☐	The proposal is unlikely to result in less favourable treatment for particular groups. It is also unlikely that proposal will give rise to indirect discrimination, harassment or victimisation. The proposal positively addresses discrimination arising from disability by improving accessibility requirements.
Advance equality of opportunity between people who share a protected characteristic and those who do not.	Yes ☒	No ☐	The proposal positively addresses the advancement of equality of opportunity between people who share a protected characteristic and those who do not. Improvement to the ferry service linked with accessibility, comfort, reliability and reduced journey times will particularly benefits older adults and young people, disabled people and people who require off-island medical treatment or other key services, including pregnant women. In doing so, the proposal removes and minimises current reported disadvantages and meets the needs of different groups. Improvements to the ferry link may also result in increased participation by people with a protected characteristic.

Does this proposal contribute to the Public Sector Equality Duty?			Rationale
Foster good relations between people who share a protected characteristic and those who do not.	Yes ☒	No ☐	The proposal promotes good relations between people who share a protected characteristic and those who do not. Design consideration for the preferred option promotes understanding of the needs and requirements of different protected characteristic groups linked with age, disability and pregnancy and maternity.

7 Fairer Scotland Duty Assessment

7.1 Overview

7.1.1 The FSD assessment has aligned with each business case stage in order to ensure influence in the overall assessment process relevant to the impacts on socio-economically disadvantaged groups. Socio-economic considerations have been at the core of developing the initial and revised preferred options for Fair Isle through the business case process.

7.1.2 Here, the framework elements set out in Section 3.4 are examined in the context of the preferred option for the Fair Isle Ferry Replacement Project presented in the FBC. Aspects of the FSD are taken into consideration alongside the chosen equality domains that include deprivation, employment, education, health and health inequality - these are presented in Table 7.1.

High-level FSD assessment of preferred option

7.1.3 This section sets out a high-level FSD summary assessment of the Fair Isle Ferry Replacement Project preferred option, the replacement of MV *Good Shepherd IV* with an upgraded Lo-Lo vessel based in Fair Isle and associated landside engineering works.

7.1.4 In terms of socio-economic disadvantage (influenced by income, wealth, material and area deprivation and socio-economic background), the preferred option will improve connectivity and accessibility for the island, within the constraints of significant distance from mainland Shetland and over a challenging stretch of water. A faster, more reliable and accessible vessel, with increased capacity for the movement of goods, will support economic development and jobs retention (including ferry crew) and potential job growth (through improved productivity and a potential growth in visitors associated with the new FIBO), which in turn will support increased household incomes and reduce socio-economic disadvantage.

7.1.5 In terms of inequality of outcomes (including education, skills, employment, health and wellbeing, living standards and poverty), the preferred option delivers improved connectivity and accessibility of access to all manner of opportunities on mainland Shetland, albeit recognising that such trips will be very infrequent. A faster journey more reliable and more comfortable journey will further improve accessibility, and in turn reduce inequality of outcome for Fair Isle residents. The ferry also provides resilience as part of the combined lifeline travel network for the island.

7.1.6 All that said, as has been reported earlier, the Fair Isle community is extremely active with a number of formal and informal groups, and with social activities and traditions a significant part of the island's culture. Therefore, it should not be assumed that improved connectivity would or is intended to take away from any of this island context, rather it is an opportunity to strengthen the sustainability of the island and allow residents to more readily take advantage of supplementary opportunities on mainland Shetland from time-to-time, in keeping with the results of the 2019 household survey. It also provides an opportunity to share these traditions and cultures as part of the ferry project supporting population growth, economic development and increased visitor numbers.

Table 7.1: FSD Assessment Framework

FSD Aspect	Deprivation	Employment	Education	Health and Health Inequality
Help to reduce levels of absolute and relative income poverty, inequality in the distribution of household wealth, and levels of multiple deprivation affecting the Fair Isle community? **Reduce cost related barriers to accessing and use of all transport modes?**	Improved accessibility, reliability of travel, speed of travel reduces costs associated with travel and need for overnight stays, including when these are unexpected, which will reduce the burden on all Fair Isle households, and particularly beneficial for lower income households.	Improved accessibility reduces costs associated with the movement of goods and supports economic growth in terms of the movement of goods, particularly significant for very remote communities. Increased capacity of the vessel further enhances opportunity.	Improved connectivity will enable parents particularly of secondary age children to potentially travel more frequently (at lower cost than the air service) to visit children when they are away boarding at school when a return trip to Fair Isle is not possible; supporting the wellbeing of the child and family, and potentially making the secondary education pathway more attractive to some families that otherwise would not consider living on Fair Isle due to the need for children to 'leave' at S1.	Improved connectivity supports more equitable access to health and allied health services that are provided on mainland Shetland and makes it more reliable to provide visiting services to Fair Isle; in turn reducing health inequalities, for those with particular needs and the island as a whole compared to other localities.
Reduce physical and informational barriers to accessing and using all transport modes?	Physically accessible vessel makes travel to and from mainland Shetland available to all – this is not currently the case for those with reduced mobility, and evidence has referred to some people not travelling due to an inability to physically access the plane or ferry at present.	Physically accessible vessel and service makes travel available to all, including for business and other travel purposes. Improved reliability, faster journey times and comfort will make it easier to the use ferry for some occasional employment and business journeys.	Physically accessible vessel and service makes travel available to all, including for travel to learning and other travel purposes. Improved reliability, faster journey times and comfort will make it easier to the use ferry for some occasional education and training trips.	Physically accessible service marginally improves travel opportunities to mainland Shetland for all those that require it, including those with reduced mobility; thus, reducing barriers to health and care, creating opportunities to access leisure activities also. Minimise health inequalities through equal access; including providing a service that minimises time / nights away from home, and any cost / lost earnings associated with this.
Reduce unequal access to employment opportunities, social and cultural activities, and public	The preferred option will support improved economic productivity, which in partnership with the community and other agencies in terms of skills development will lay the foundation to widen employment opportunities, and in turn		New ferry preferred option supports improved occasional access to learning / training opportunities, in turn supporting	N/A

FSD Aspect	Deprivation	Employment	Education	Health and Health Inequality
services and amenities for all?	raising income levels, as well as participation in other services and amenities. Crew retention, recruitment and upskilling is an obvious opportunity in this respect.		economic growth and development. Work with partners, such as Business Gateway will enable tailoring of learning and training opportunities to suit the community, including in terms of content and delivery mechanism to work around ferry access and digital connectivity.	
Promote good local access to existing facilities, services, and employment, in particular for those facing socio-economic disadvantage?	A faster, more reliable, comfortable and accessible ferry service through the preferred option marginally increases opportunities to access existing services and facilities on mainland Shetland as well as enabling service providers to travel to Fair Isle, providing resilience in terms of connectivity between the air service and the ferry service. The lower cost ferry service (compared to travel by the air service) may be beneficial for those in lower income households. Enhanced reliability particularly benefits those in lower incomes households and those that cannot afford to be away from work through reducing the likelihood and fear of being stranded on mainland Shetland (or Fair Isle) if weather or sea conditions change.			

8 Summary

8.1.1 The above combined assessments satisfy the duties under the Equality Act (2010) both in terms of the Public Sector Equality Duty and the Fairer Scotland Duty.

8.1.2 The EqIA identifies that the proposal will have a minor beneficial effect on three scoped-in protected characteristics, including age, disability and pregnancy and maternity. It is judged that the proposal will not affect any of the remaining protected characteristics (e.g., gender reassignment, marriage and civil partnership, race, religion or belief, sex, and sexual orientation). The proposal positively contributes to the three aims of the PSED including the elimination of unlawful discrimination, harassment and victimisation; advancing equality of opportunity between people who share a protected characteristics and those who do not; and fostering good relations between people who share a protected characteristics and those who do not.

8.1.3 The FSD assessment shows that enhancements to the physical accessibility of the vessel through the preferred option, including improved reliability, comfort, marginally faster journey times and improved physical accessibility will positively impact socio-economic opportunity for Fair Isle residents linked with deprivation, employment, education, health and reducing health inequalities

8.1.4 The FSD assessment undertaken as part of the Fair Isle Ferry Replacement Project indicates that the preferred option (within the budget available) developed in partnership with the Fair Isle community will positively support the needs of the community by addressing key transport related challenges and opportunities.

8.1.5 To fully satisfy the requirements and duties supported by these assessments, it is essential that the Fair Isle community continues to be involved in the development of the proposals and that aspects considered and documented in this report are fully progressed with the community, ensuring optimum refinement of delivery parameters to achieve the best outcomes for the Fair Isle community.

9   References

National Records of Scotland (2022) Shetland Islands Council Area Profile: Shetland Islands Council Area Profile (nrscotland.gov.uk)

Scottish Government (2017). Sexual orientation in Scotland 2017: summary of evidence base - gov.scot (www.gov.scot)

Scottish Government (2022) Stage 1: Framing - Data collection - protected characteristics: guidance - equality impact assessment - gov.scot (www.gov.scot)

Shetland Islands Council (2011) Shetland South Community Profile, p. 29.

Shetland Islands Council (2021) Shetland Islands Council Schools Service Annual Return 2021/22: annual-return-2021-22 (shetland.gov.uk)

Appendix A   Baseline Data

Table A.1: Age Profile

Protected Characteristic: Age	Fair Isle	Shetland Islands	Scotland
Aged 0 to 15	17%	18%	17%
Aged 16 to 64	60%	62%	65%
Aged 65+	23%	20%	18%

Source: National Records Scotland: Mid-Year Population Estimates 2021. All figures have been individually rounded and may not sum.

Table A.2: Disability Profile

Protected Characteristic: Disability	Fair Isle	Shetland Islands	Scotland
Very good health	60%	55%	53%
Good health	30%	31%	30%
Fair health	4%	11%	12%
Bad health	4%	3%	4%
Very bad health	2%	1%	1%

Source: Scottish Census 2011: Search | Scotland's Census - Search by location (scotlandscensus.gov.uk)

Table A.3: Gender Reassignment Profile

Protected Characteristic: Gender Reassignment	Fair Isle	Shetland Islands	Scotland
There is no data available at an Island or Council level for Scotland for this protected characteristic. The Scottish Public Health Network estimates that 0.5% of the Scottish population is transgender (approximately 24,000 adults).			

Source: Public Health Scotland » Introduction (scotphn.net)

Table A.4: Pregnancy and Maternity Profile

Protected Characteristic: Pregnancy and Maternity	Fair Isle	Shetland Islands	Scotland
Healthy birth weight (%)	Not available	79%	85%
Live birth rate (per 1,000 population)	Not available	8%	9%
Teenage pregnancies (crude rate per 1,000 females aged 15-19)	Not available	18%	25%

Source: ScotPHO profiles (shinyapps.io)

Table A.5: Race and Ethnicity Profile

Protected Characteristic: Race and Ethnicity	Fair Isle	Shetland Islands	Scotland
White	100%	99%	96%
Mixed or multiple ethnic groups	0%	0.3%	0.4%
Asian, Asian Scottish or Asian British	0%	1.0%	3%
African	0%	0.1%	0.6%
Caribbean or Black	0%	0.0%	0.1%

Protected Characteristic: Race and Ethnicity	Fair Isle	Shetland Islands	Scotland
Other ethnic groups	0%	0.1%	0.3%

Source: Scottish Census 2011: Search | Scotland's Census - Search by location (scotlandscensus.gov.uk)

Table A.6: Religion or Belief Profile

Protected Characteristic: Religion or Belief	Fair Isle	Shetland Islands	Scotland
Church of Scotland	18%	30%	33%
Roman Catholic	4%	4%	16%
Other Christian	24%	11%	6%
Muslim	0%	0.4%	1%
Other religions	3%	0.7%	0.3%
No religion	38%	45%	37%
Not stated	15%	9%	7.0%

Source: Scottish Census 2011: Search | Scotland's Census - Search by location (scotlandscensus.gov.uk)

Table A.7: Sex Profile

Protected Characteristic: Sex	Fair Isle	Shetland Islands	Scotland
Male	49%	51%	49%
Female	51%	49%	51%

Source: Scottish Census 2011: Search | Scotland's Census - Search by location (scotlandscensus.gov.uk)

Table A.8: Sexual Orientation Profile

Protected Characteristic: Sexual Orientation	Fair Isle	Shetland Islands	Scotland
Limited information is available about sexual orientation for Scotland. Data from 2019 suggested that 95% of Scottish adults identified as heterosexual with around 3% of adults self-identifying as lesbian, gay, bisexual or other. Younger people are more likely to identify as being lesbian, gay or bisexual (LGB), with 50% of those identifying as LGB and other aged 35 years and under (Equality Evidence Finder, 2023).			

Source: equalityevidence.scot

Table A.9: Marriage and Civil Partnership Profile

Protected Characteristic: Marriage and Civil Partnership	Fair Isle	Shetland Islands	Scotland
Single (never married or never registered a same-sex civil partnership)	21%	33%	35%
Married	72%	50%	45%
In a registered same-sex civil partnership	0.0%	0.1%	0.2%
Separated (but still legally married)	0.0%	3%	3%
Divorced or formerly in a same-sex civil partnership which is now legally dissolved	6%	8%	8%

Protected Characteristic: Marriage and Civil Partnership	Fair Isle	Shetland Islands	Scotland
Widowed or surviving partner from a same-sex civil partnership	2%	7%	7%

Source: Scottish Census 2011: Search | Scotland's Census - Search by location (scotlandscensus.gov.uk)