



Shetland Islands Council Annual Climate Change Report



Appendix A A Closer Look at Progress and Future Plans 2023/24

Enablers

Leadership and Governance



Strategic Objectives

- Lead by example and make climate change and sustainability a core value and key outcome of Shetland Islands Council policies and operations.
- Establish a strong governance structure with senior management responsibility allocated to the implementation, monitoring and reporting of the objectives and measures outlined in the Climate Change Strategy and the Climate Change Action Plan.
- Lead and inspire collaborative climate action across Shetland, providing social, economic and environmental benefits to local organisations, businesses and the community.
- Promote at a national level the scale of the challenge for Shetland in reaching net zero emissions.
- Work with Partners to develop a Shetland Climate Risk Assessment and Adaptation Plan involving community planning partners, businesses, organisations and the community.

What happened in 2023/24

- The SIC Climate Change Strategy and Action Plan were developed through a co-design process involving all service areas across the council. This was approved by the Council in December 2023.
- A reporting and monitoring process was put in place for the climate change action plan, with all actions uploaded onto Pentana, the council's digital performance management system. Progress is reported to Elected Members and Senior Management quarterly as part of the Infrastructure Directorate Performance Report and Climate Change Programme reporting.
- SIC Corporate Management Team has been established as the Climate Change Programme Board, with quarterly meetings and reporting now taking place.

- The SIC 'Our Values' statement was updated to make explicit links between the councils values and climate change and sustainability. This is now included in the 'On-Boarding' process for new starts to the council.
- Climate Emergency Training was offered to the Chief Executive, all Directors and Elected Members. The Chief Executive, 2 Directors, 11 Elected Members and 6 Executive Managers have so far undertaken the training. Further sessions will be made available. Training is now available to all SIC office based staff.
- The Shetland Climate Change Steering Group was established under the Shetland Partnership, including members from SIC, NHS, HIE, SAT, UHI, NatureScot and Visit Scotland, to develop a Shetland Climate Change Strategy. Work has been undertaken to establish the baseline, and set the delivery framework in place for the strategy and action plan to ensure it includes input from all relevant stakeholders and is appropriate for Shetland.
- The Energy Development Principles were developed and approved by the Council. The principles set out aspirations for Community Benefit, Sectoral Co-Existence, Supply Chain and Environmental Protection for large scale energy developments in and around Shetland.
- In 2023, the updated version of the Local Flood Risk Management Plan for Shetland was published, which covers the period 2022-2028. Flood risk management plans form part of Scotland's route map for reducing the effects of flooding on communities and they set the national direction of future flood risk management, helping to target investment and coordinate actions across public bodies
- The Council's Water and Drainage Supplementary Planning Guidance and Technical Appendix documents were updated to take account of updated SEPA guidance on climate change predictions for sea level rise. Local developers, agents and architects were engaged to raise awareness of this.
- In October 2023, draft guidance to support Shetland Islands Regional Marine Plan policies on climate change adaptation and climate change mitigation was consulted on. Once the Plan is adopted this guidance will be used to help inform future marine developments.
- Rural Energy Hub Project – Phase 1: Shetland Rural Transport and Energy Hub Phase 1 project was completed in July. The project generated a feasibility study which investigates the non-technical systemic barriers to decarbonisation in Shetland, with the aim to overcome these by creating a network of rural transport and energy hubs. The study identified key locations for hubs, and suggested the village of Brae as a prime location for a pilot. The phase 1 project was completed in partnership with Orkney based consultant Aquatera and Community Energy Scotland, who were also involved in a similar project for Orkney. A decision was made nearing the end of phase 1 that the Orkney and Shetland projects had enough synergies to make a joint bid for phase 2 funding from Innovate UK. The aim will be to take key learnings from both projects and look to pilot these across the two Islands with

a continued focus on Community wealth building, replicability and economic sustainability.

- Rural Energy Hub Project – Phase 2: The Phase 2 funding application, for up to £5million, was successful in being awarded £4.9 million of funding, split between Shetland and Orkney. The Shetland specific project will focus on the implementation of a pilot rural energy hub in Brae – based at the Brae Youth Centre. It is a place-based approach to decarbonisation of mobility, heat and power with community benefit and improved service delivery at the heart of the project The project will run from 1st February 2024 to 31st October 2025 and includes:
 - Building remodel and energy efficiency upgrade to Brae Youth Centre – Flexible, fit-for-purpose space to provide range of services for the community in Hub Building
 - EV charging infrastructure - Supplementary EV car club offering to community
 - Renewable energy generation to building and charging infrastructure – community demonstration/education
 - North Mainland Transport Analysis and trial of service changes e.g. Demand Responsive Transport and Dial-a-Ride
 - GoHi – App rolled out across Shetland to view, plan and book public/augmented transport
 - Trial of electric bus – routes across Shetland
 - Brae District Heating Scheme – Feasibility study and concept design

What is planned for 2024/25

- Develop the SIC Climate Change Programme to include a set of projects/programmes for delivery of the SIC Climate Change Strategy and Action Plan. This will provide a mechanism to monitor and track progress of the organisation as a whole in addressing climate change and working towards climate targets.
- A campaign will be launched to raise awareness of the links between ‘Our Values’ and climate change across council service areas. We are planning to film a video with the Chief Executive describing ‘Our Values’ linked to climate change. Filming is due to take place with the Team Leader for Catering and Cleaning to show how the service area links climate change with ‘Our Values.’
- Provide another dedicated Climate Emergency Training opportunity for Elected Members, and then include Elected Members in general SIC training offerings going forward.

- Establish the Shetland Climate Change Strategy through co-development with relevant stakeholders across Shetland. This will cover the areas of Energy, Transport, Built Environment, Resource Use and Waste, Business and Industry and Land, Sea and Nature. The Strategy will provide a common vision and common approach to undertaking climate action across Shetland, which we hope will result in:
 - Increased collaboration across organisations
 - Avoided duplication of effort across organisations
 - Efficiencies across organisations
 - Increased investment in climate related action across Shetland
 - Accelerated climate action
- Further develop the Energy Development Principles, including a commitment to investigating and setting out best practice and recommendations for community benefit and community wealth building.
- Develop a proposal for a Shetland Climate Change Risk Assessment and Adaptation Plan, including capability, capacity and funding resources available.
- Continue to work through the implementation and delivery of the Rural Energy Hub Project programme of works

Alignment



Strategic Objectives

- We will ensure alignment with national and regional climate change targets and best practice.
- Work collaboratively across the Council and with partner organisations to maximise efficiency and the impact of climate action.
- Ensure policy alignment across all service areas with the Climate Change Strategy and Action plan.
- Embed climate change and sustainability into the mainstream of Council decisions, creating a culture where climate change is considered as a part of everyday decision making.
- Align the Council's resilience efforts internally and externally to facilitate efficient and effective climate adaptation.

What happened in 2023/24

- The SIC Climate Change Forum currently consists of 'Climate Champions' across each of the service areas and provides quarterly information and discussion sessions on climate specific topics to raise awareness across the council. Topics presented this year included peatland restoration, health and climate change, creative carbon and the Shetland energy strategy.
- The SIC Climate Change Strategy and Action Plan was co-developed with input from all service areas. The following steps were undertaken during the process to work towards embedding climate change in all service plans:
 - Review all actions and make sure we have only one service area allocated responsibility
 - Arrange actions into service areas
 - Review for duplication against existing Pentana actions and discuss with service managers
 - Differentiate between 'Business as Usual' actions and 'Project' actions.
 - Arrange meetings with each service manager to discuss and refine Pentana actions.
 - Agree method for reporting on actions going forward for each Service Area/Directorate

- A proposal for the development and implementation of Climate Change Impact Assessments (CCIA) was taken to CMT and gained approval.
- Shetland Partnership, Delivery Plan: the Delivery Plan 2023-28, for the Shetland Partnership Plan, provides the framework for the development of place-based working across Shetland. The Plan will be signed-off by partner organisations by the end of December. Specific projects, within the programme of work, have been defined, and resources deployed to support implementation. Climate Change has been identified as a core area of this work.
- Islands Centre for Net Zero (ICNZ) – The ICNZ is a pan-island programme to support Shetland, Orkney and the Outer Hebrides to become lighthouse communities in the energy transition, funded through the Islands Growth Deal. The launch event took place on the 7th December. The Shetland event included panel discussions on Resilience, Fuel Poverty/Energy Efficiency, Decarbonisation of Business and Enterprise and Decarbonisation of the Marine Industry. Stakeholders from across Shetland were involved in the sessions, there was very good engagement and requests for follow up open discussion sessions to be arranged in future. Engagement continues with SIC feeding into work packages focussed on data, community engagement, accelerator projects, communications and the Shetland ICNZ projects.
- Nordic Energy Research Network: SIC supported Scottish Government in organising the Nordic Energy Research Network event, held in Shetland on the 16th/17th May 2023. The purpose of the event was to encourage debate and knowledge exchange between Scottish and Nordic experts on the challenges and ambitions that our countries and regions share in harnessing the low carbon energy potential of islands. It aimed to create opportunities for longer-term cooperation, with a view to accelerating decarbonisation and raising awareness of islands' role as hubs of innovation. The event included a conference with a series of Shetland and Nordic speakers, site visits and a dinner. It was attended by Cabinet Secretary Mairi Gougeon.

What is planned 2024/25

- SIC Climate Change Forum: The forum structure and purpose will be reviewed with the intent to widen the membership out with SIC to include the Shetland Membership.
- Review and assess all directorate and service plans for climate change impact as they are updated, identifying opportunities for climate action.
- CCIA: A format and framework for implementation to be developed and seek approval.
 - Institute at key project milestones and on all committee reports. Establish a system/framework to ensure CCIA's will have weight in final decision making with outcomes monitored and reported, ensuring projects are in line with the council's climate change targets.

- Develop a template and evaluation framework, with guidance documents, for climate change impact assessments for Council projects.
 - Create and implement a campaign to equip officers with the knowledge and skills to conduct climate change impact assessments themselves, similar to Data Protection Impact Assessments.
- Continue engagement with, and contribution to, ICNZ
- Continue engagement with, and contribute to, Sustainable Scotland Network



Strategic Objectives

- Integrate climate change into finance strategy, communications, financial planning and reporting.
- Ensure our budgets, spend and use of resources align with climate change ambitions and targets.
- Ensure funding and investments are prioritised against climate outcomes and their contribution to the delivery of an inclusive net zero carbon economy.
- Ensure a strategic approach to our sustainable procurement duty aligning to circular economy principles.
- Raise awareness throughout Shetland Islands Council of the importance of sustainable procurement in addressing climate change, working towards creating a culture that supports a circular economy.

Activity undertaken in 23/24

- The capital project prioritisation matrix was updated to include climate change as a scored category. The weighting of this will be reviewed in alignment with works undertaken on instigating CCIAs.
- The SIC Revenue and Pension Fund year end accounts were updated to include analysis and commentary around climate change impacts and implications. This will be included in annual reporting going forward.
- Strategic reviews were undertaken on pension and reserve fund investments which proposed a number of new mandates related to environmental criteria to be considered.

Activity planned for 24/25

- The Medium Term Financial Plan (MTFP) is due for a refresh in September 2024, at this point it will be updated in line with the councils Net Zero targets with the climate emergency recognised as a key priority and a section on climate change and the councils net zero targets included.
- The SIC Procurement Strategy and Policy will be reviewed and updated to ensure alignment with the councils climate change targets is a mandatory criteria of competitive tenders where appropriate. This will include sustainability guidance that requires procured goods, works, and services to

make commitments to sustainability and a circular economy – encouraging suppliers to reach Net Zero and mitigate the environmental impact of SIC's supply chain.

- Budget Responsible Officer guidance will be updated to consider climate change as part of decision making process with an accompanying campaign to raise awareness regarding climate change and spend.

Empowerment



Strategic Objectives

- Empower staff by raising awareness and understanding of climate change to enable staff to undertake informed, climate-conscious decision-making and service delivery.
- Empower the community through raising awareness and understanding of climate change and facilitating and supporting community-led climate action, building capacity within the community.
- Provide the Shetland community with the opportunity to influence council decision-making related to the climate.
- Encourage the development and promotion of green jobs and skills across Shetland.

Activity undertaken in 23/24

- SIC Climate Festival - The 2023 Climate Festival took place on the 9th and 10th June with attendance from 30+ local and national organisations and businesses. Feedback from the event, which was collected at event and online, was positive including from the 3 schools which joined on the morning of 9th June. The event format was changed this year to take place over a weekend and in a single venue, Clickimin Leisure Centre, which proved successful. A lessons learned log was kept during the planning, running and following the event which will be taken into account for future events, with action underway to embed these learnings. The 2024 Climate Festival was booked to take place at Clickimin on the 15th June, building on from the 2023 event.
- Climate Emergency Training - Climate emergency training, bespoke to a Shetland audience, was developed with online and in-person options made available to staff, fully integrated into an ongoing schedule of Council based training. The Climate Change Team have become qualified to deliver the training. An e-learning module was also developed and made available through the council's e-learning platform, and is integrated into the new staff on-boarding process. Climate Emergency Training is now offered across all Shetland Partnership organisations, delivered by SIC Climate Change Strategy team.
- Community Development provided capacity building support to The Bigton Collective, at Hymhus to help translate their ideas into a deliverable plan. Bigton Collective is a community owned company, formally constituted in August 2021, which aims to provide a sustainable, supportive and inspirational hub for arts and health in Bigton. The group were supported to

apply for and secure £70K funding from The National Lottery, Community Led fund, for a 3 year project which aims to develop new community led activity, increase health and well-being, help improve the quality of life, particularly for those who face challenges.

- Locality Profiles/Locality Planning: 13 Profiles have been produced: for Shetland's seven localities, Shetland's five Islands with Small Populations, Bressay, and Shetland as a whole. These are being reviewed by communities, at community meetings, during November, and will be published on the Shetland Partnership website. These profiles are a key tool available to support place-based working; providing an opportunity to discuss the data, and what it means for our localities and communities. The next steps for this work will be planned, following feedback from the community meetings.
- Community Led Local Development 2023/24: the Council acts as the Accountable Body in Shetland for the Community Led Local Development (CLLD) Programme, on behalf of the Shetland Local Action Group (LAG). The LAG was allocated a budget of £130,000 in capital funding and £134,708 in revenue funding, to support projects and initiatives which deliver on the Shetland Community Led Vision, specifically projects which address the transition to net zero and the cost of living. To date, the LAG have approved funding to 13 projects, with total grant commitments of £130,000 (capital) and £99,779 (revenue). Climate change and contribution to Net Zero are key criteria for consideration in awarding funding.
- Shetland Community Climate Action Network – Following on from engagement work undertaken as part of the '2022 Shetland Climate Conversations' community engagement, it was recognised there was a need for a network for community organisations to have regular contact with each other for support and knowledge/resource sharing. Shetland Community Climate Action Network was established as a trial and had their first in-person forum meeting at the Shetland Climate Festival in June. It was decided by the members that in-person forums plus a form for digital connection would be preferable. A communal digital repository, in the form of a closed Facebook group for information sharing and updates between members was suggested as a digital network solution. Investigations began into how this could be set up and run in collaboration with Voluntary Action Shetland. Towards the end of 2023/24 it became evident that other groups were also in place to engage with and further community action related to climate change in Shetland, such as Islands Centre for Net Zero ICAN and the Highlands and Islands Climate Hubs. Investigation began to map all organisations remit and responsibilities, and to establish how all groups can work together to avoid duplication and accelerate action collaboratively.

Activity planned for 24/25

- Climate Emergency Training – Increase the take up of Climate Emergency Training across council service areas and Shetland Partnership organisations through promotion and through managers encouraging staff to undertake training.

- Climate Emergency Training - Update the e-learn training to include video content to make it more engaging. Micro learning videos to be created, which can also be made available to the public.
- Climate Emergency Training - Develop Climate Emergency "toolbox talks," tailored to specific service areas where it would not be as easy to attend online workshop and training courses during their working day. 'Toolbox talks' will be available as both online content to be accessed at any time and as interactive content to be delivered face to-face within service areas to make best use of time.
- Shetland Partnership Climate Forum – Review the format of the forum to ensure that it works in the most effective way for members, and to increase the reach of the form as far as possible. Investigate how best to use the forum as a two way method of communication.
- Shetland Climate Festival 24/25 – Planning is already underway for the festival to take place at Clickimin Leisure Centre on the 15th June 2024. Following this event, works will begin to plan for the Shetland Climate Festival 25/26, which will take place at Clickimin Leisure Centre on the 13th September 2025, to better align with Scotland's Climate Week.
- Work with Climate Hub, ICAN and Voluntary Action Shetland to map each organisations remit and responsibilities, and to establish how groups can work together to avoid duplication and accelerate community climate action collaboratively.

Themes

Energy

Strategic Objectives

- Bring local emissions associated with energy generation and use to net zero and contribute to national targets with the export of clean energy.
- Planning and decision-making which favours renewables within a holistic power system.
- Facilitate secure affordable energy for all of Shetland through islands-based generation.
- Maximise the socio-economic potential of energy development in Shetland with a particular focus on low income households; broaden opportunities, sustain jobs and improve skills.

Activity undertaken in 23/24

- **Shetland Energy Strategy** - The research phase for the Shetland Energy Strategy reached a hiatus with a working draft of the Shetland Energy Strategy presented to council members on the 27th March 2024. Members decided to keep the energy strategy in draft format until further work was undertaken with an update report presented on the 25th September 2024.
- **Energy Development Principles** approved 14th December 2022. Highlands and Islands Enterprise (HIE) and SIC are working towards Just Transition Arrangements with certain energy developers. Each theme has an activity programme which is monitored by the 4Shetland Forum, which consists of the Council, HIE, LPA and the NORN Alliance (A Shetland Supply chain consortia). The 4Shetland Forum meets every month and connects with the NE1 developers every second month.
- **Affordable energy** The Strategic Outline Programme for affordable energy was approved by the Council on 27th September 2023. The programme is now progressing, with smart metering now being progressed as a priority. This is for a number of reasons:
 1. The Radio Teleswitch (RTS) Service is due to be switched off on the 30th June 2025. There is a high risk to affordable energy particularly in the short term and for vulnerable customers.

2. Shetland currently has a smart meter roll out rate of 7% one of the lowest in the country, lower than our counterparts in Orkney and the Outer Hebrides.

3. There are a number of barriers to the roll out of working smart meters including the current electricity tariffs and connectivity.

4. Smart meters open up a wide range of electricity tariff options to customers and reduce the risks associated with projects such as a Public Energy Company or an Energy Services Company.

- **Whole Energy System** The council are engaged with SSE on a transmission strategy for Shetland. This has involved engagement with project stakeholders for onshore wind, offshore wind projects, West of Shetland Electrification and industrial scale energy users to help ensure a holistic network design of the future Shetland electricity system.
The council has engaged with the Net Zero Technology Centre on the NZTTP European Hydrogen Backbone Link and the Energy Hubs Projects.
The council engaged with the Liquid Organic Hydrogen Carrier Project, a desktop exercise to evaluate exporting hydrogen by coastal tanker from Sullom Voe and St Fergus/Peterhead to Rotterdam. The study has concluded and is presented in the Projects and Studies section of the orioncleanenergy.com website.
- **Clair Oil Export Review and Review of Overall Oil and Gas Arrangements.** Clair partners continue to review their options for the long term export of oil through a range of discussions and investigations involving Shetland Islands Council. In parallel with this the Council is reviewing the performance and any modernisation requirements across arrangements with all oil and gas energy producers guided by the Council's draft "Energy Development Principles". This review activity is being supported by the Council's "Energy Reference Group" and is expected to continue for some time. Any decision points will be brought to Council for decision as required.
- **SVT – Energy Transformation Plans.** In June, Enquest Heather Ltd published the company's energy transition plans for Sullom Voe Terminal (SVT). These plans are based on carbon capture and storage projects, an ambition to produce 10GW of green hydrogen and the electrification of West of Shetland oil and gas fields. The company had been awarded four carbon storage licences by the UK Government earlier in the year. Enquest Heather Ltd estimate that these developments could lead to 200 jobs being created at SVT. The initial phase of SVT Energy transition is the decommissioning of the redundant parts of the site to enable repurposing for these new developments.
- **Hydrogen transport review** - will be advanced as and when hydrogen becomes a viable alternative fuel. Engagement undertaken with all developers who have plans for hydrogen production in Shetland to understand the scale and timeline for their project.

- **Marine decarbonisation** – The Marine working group led by Strathclyde University met several times during 2023-24. The Council have been part of a project along with University of Strathclyde and Energi I Nord, to increase collaboration between Shetland and Northern Norway. This was funded through a successful bid to the Scottish Government’s Arctic Connections Fund. This kicked off with a webinar held on the 28th November 2023, it was well attended with presentations from key people from both regions, including Kersti Berge, Scottish Government’s Director for Energy and Climate Change. The next step is to gather more opinion on the particular challenge of community acceptance and social issues surrounding renewable developments.

- **Energy Transition Projects Offshore wind** Ocean Winds, Mainstream Renewable Power and ESB Asset Development have been offered option agreements by Crown Estates Scotland to produce 2.8 GW of floating offshore wind on the NE1 site. Mainstream and Ocean Winds have combined their sites into the Arven project, which is 2.3 GW of the overall NE1 site. A Shetland office has been set up for the project.

- **Energy Transition Projects onshore wind** – Energy Isles in Yell received planning consent. Statkraft purchased the Beaw Field and Mossy Hill wind farms from Peel Energy.

- **Energy Consultations**
 - The Scottish Governments draft Energy Strategy and Just Transition Plan consultation closed in May 2023 however engagement has continued including a workshop on the Island Communities Impact Assessment on the 18th April 2024.
 - The UK Government REMA stage 2 consultation opened on the 12th March 2024. This was a follow on to the stage 1 consultation undertaken between July and October 2022.
 - DESNZ consultation on community benefits for electricity transmission network infrastructure concluding on the 13th August 2023. This was followed by an SSEN Transmission consultation on community benefit looking at funding themes and distribution models.

Activity planned for 24/25

- 2 no. 6kw wind turbines are planned to be installed at the Scord Quarry

- Energy Strategy, an update report was presented at the Council meeting on the 25th September 2024, with the completed strategy due in early 2025 following the completion of additional pieces of work.

- Summit to initiate the Shetland Power System Working Group led by the Future Energy Team.

- Governance arrangements – A small working group convened to work out a draft terms of reference for the proposed umbrella EmPowering Shetland (currently 4Shetland) as 4Shetland had the existing foundation to align its work and activity to the Inclusive Growth delivery

plan. The amended structure provides a clear governance structure for the energy strategy where progress can be reported more rationally. There are also clear lines of engagement and reporting to the Climate Change strategy as net zero is a driver for change in terms of energy use and generation. It is important that both structures are aligned as there are many work packages which are interlinked.

- Energy Development Principles,
 - conclusion of the report by Aquatera in conjunction with Voar and Community Energy Scotland on community benefit
 - Preparation of a Council policy on community wealth building, following a series of workshops led by Neil McInroy.
- Development of an economy model for Shetland through engagement with the Centre for Energy Policy at the University of Strathclyde who are leading on the economic and policy elements of the national UK Ocean ReFuel project.
- Affordable energy and a Shetland Tariff
 - The council's Chief Executive is to chair a roundtable meeting in Edinburgh with key decision makers on how to make this happen.
 - The Shetland Islands Council will continue to engage with their counterparts in Orkney and the Outer Hebrides on issues relating to affordable energy.
 - Continue to engage with stakeholders on the roll out of smart meters and the end of the RTS due on the 30th June 2025. Making representation to the highest level of Government.
- The Shetland Energy Action Plan will be prepared following the approval of the Shetland Energy Strategy. Some SIC related energy actions are already included within the SIC Climate Change Action plan, the affordable energy strategic outline programme and Our Ambition the Corporate plan.
- Marine Decarbonisation – continue the work of the Marine Working Group to share knowledge across the sector.

Buildings



Strategic Objectives

- Reduce carbon emissions across the estate in line with net zero targets through estate rationalisation, reduction of energy use, energy efficiency improvements with a fabric first approach and a transition to zero carbon energy sources.
- All new buildings will be net zero in operation with minimum emissions during construction.
- Promote heat decarbonisation and energy efficiency across Shetland and increase levels of energy efficiency and net zero works occurring across Shetland buildings through skills development, building capacity, raising awareness and streamlining access to available funding.
- Prepare our infrastructure for the effects of a changing climate.

Activity undertaken in 23/24

- Energy efficiency works took place as a part of business as usual building maintenance and upgrades, this included:
 - Replacing windows and cladding on the huts at Tingwall Primary School
 - Roof replacement at Whalsay Secondary School
 - Upgrade of Air Conditioning Units at Garthspool ICT buildings
 - Lighting upgrades to energy efficient lighting at Gilbertson Park, Sound Primary School, Sandwick Junior High School, Mossbank Primary School, Brae Primary School, Aith Junior High School, Northhaven, Knab Cemetery
 - Upgrade of controls system to automated Building Management System and hot water tanks replaced with Domestic Hot Water Heat Interface Unit, which are much more energy efficient, at Sound Primary School
 - Reduction in return temperatures of heating and domestic hot water circuits, reducing heat loss, at ET and Taing.
- The Independent Living Centre heating and hot water system was connected to the Lerwick District Heating scheme, transitioning from oil fired boiler.
- Brae High School new campus - The Outline Business Case: A New Campus in Brae for the North Mainland, was approved by Shetland Islands Council at its meeting on 24 January 2024, enabling the project to progress on to the next stage of development. The new school will be designed in line with LEIP

3 principles, will be Net Zero in operation and will have embodied carbon measured and minimised as far as possible during construction.

- Strategic Housing Investment Plan (SHIP): The SHIP contains 256 new housing units to be delivered by Hjaltland Housing Association and the Council, and is supported by £42.9m of Scottish Government funding. In the past two years between Hjaltland Housing Association and Shetland Islands Council, 62 new affordable homes have been constructed and 28 new units are currently on site under construction, at Sandveien (rebuild) 8, Scalloway (phase two) 8, Aith (phase two) 6, Brae 2 and Walls 4. The SHIP was approved by Development Committee on 29 November 2023.
- Knab Site Masterplan: Demolition works commenced on site. Full Business Case (FBC) was approved by Council on 22 February 2024 and was submitted to the Scottish Government. Following Council approval of budget in March 2024, planning consent for the infrastructure works was considered by the Planning Committee on 24 April 2024. Following approval, tendering of the Infrastructure works and the procurement of the Housing Design Team will commence thereafter.
- Future Housing Event – a Future Housing Event for the local construction industry to discuss the delivery of future housing provision in Shetland was held at Mareel Arts Centre on 22 April 2024. The actions which were agreed at the event have been shared with participants and a follow-up meeting is being planned for the autumn.
- Local Heating and Energy Efficiency Strategy (LHEES) - A collaboration agreement through HubNorth involving partner rural and island Local Authorities was entered into at the end 2022/23. Through this agreement Changeworks was appointed to assist in developing the LHEES. Phases 1 to 3 are complete and Changeworks is starting phases 4, 5 and 6. Internal stakeholder event to be organised for the third week of January 2024 to present/discuss the work to date. The Strategy is due to be finalised towards the end of 2024.
- Area Based Scheme: Options for Change - The Energy Efficiency Review completed by Changeworks was presented to the Council in May 2023. The report was approved and we moved forward on the basis of a Management Agent (Sole Contractor) model for delivering Energy Efficient Scotland: Area Based Scheme (EES: ABS) with a timetable for this to be in place at the start of the 2024/25 financial year.
- Energy Efficiency Grant Schemes - EES: ABS grant funding of £1,154,710 was been received for the 2023/24 financial year.
 - Moving to monthly reporting and grant claims which will allow the Scottish Government to better profile spend.

- Warmer Homes - The Warmer Homes Scotland 2 contract was launched in October (Warm Works was the successful contractor) and the Council Assessor's will continue to be involved in carrying out surveys under this grant scheme.
- ECO-Flex - The Council's Statement of Intent was complete as required under the ECO-Flex 4 programme and other elements to allow us to take advantage of this further area of grant funding including data protection elements were investigated.
- The ban on the purchasing of fluorescent lighting brought forward the programme for replacing remaining fluorescent lighting in public buildings. This work is ongoing with retention of remaining stock of fluorescent tubes for use in areas that.
- Current electricity supplier has completed installation of first batch of smart/AMR meters in smaller Council buildings. We will be reviewing functionality of these with regards to reduction/eradication of estimated reads.

Activity planned for 24/25

- Establish the Estate Decarbonisation Working Group with the task to develop, seek approval for and oversee implementation of a collaborative long term plan for decarbonisation of the council non-domestic estate. The plan will seek to reduce emissions in line with net zero targets through estate rationalisation, reduction of energy use, energy efficiency improvements with a fabric first approach and a transition to zero carbon energy sources.
- Through the Estate Decarbonisation Working Group, co-develop and seek approval for the Project Initiation Documentation, including project aims and objectives, set up, allocation of responsibilities, allocation of resources and timeline.
- Investigate climate change related building standards, such as Net Zero Public Buildings Standard, PAS:2080 and PassivHaus and determine which are the most appropriate for Shetland Islands Council to embed into policy around both new build construction and building refurbishment works.
- In relation to the delivery of the SHIP, we are moving to the design phase of future fit housing on the Knab site.
- Following the consultation on the Social Housing Net Zero Standard, we await the guidance which will shape our strategy for delivering the new standard across our housing stock.
- Our LHEES and accompanying action plan will be complete and presented to Full Council for approval.
- Investigating solar PV and potential funding mechanisms for council housing.
- HVO trials are planned for Town Hall, this is a biofuel which is transitional fuel with a lower carbon footprint.

Transport



Strategic Objectives

- Fully decarbonise the entire Council fleet by 2045, including heavy-duty vehicles, vessels, and aircraft.
- Reduce emissions from business and commuter travel by 30% by 2030 from the 2019 baseline.
- Increase active travel infrastructure and encourage uptake of active travel for Council employees and the Shetland community.
- Work towards developing a public transport system that is affordable and attractive to residents, which will increase use and efficiency.
- Support the transition to zero-emissions vehicle use and transport infrastructure
- Prepare our transport networks and infrastructure for the effects of climate change.

Activity undertaken in 23/24

- A new cycle and pedestrian path in the Gilbertson Park was opened for the public and is being well used by people travelling through the park and for events in the park.
- 71.2% of all eligible young people in Shetland have received their National Entitlement Cards/ Bus Passes for those under 22. 227,557 free bus journeys have been taken by 2,937 young people. The cards are processed locally by the Youth and Employability Service and Transport Services.
- The Sport and Leisure Service, along with other Council Services, SportScotland, Shetland Recreational Trust, NHS Shetland, Public Health Scotland and Ability Shetland organised and delivered a successful Active Shetland Conference, which was attended by around 50 people from a large variety of organisations. The priorities and actions agreed at the conferences will be used develop the new Active Shetland Strategy for 2024 and beyond.
- Fair Isle Ferry and Terminal Replacement Project – £27.6 million funding was provisionally secured through UK Government grant towards replacing the Fair Isle ferry and terminals at Fair Isle and Gruntness. Funding is subject to approval of Full Business Case by Shetland Islands Council and UK Government Department for Transport. During 23/24 the detailed design for infrastructure and consenting activity was completed ready for tendering and procurement. The specified ferry will not be net zero in operation, but will be built with the transition in mind. The design is high efficiency IMO tier 3

standard, significantly more efficient than the existing ferry, and enables a biofuel drop in to be used without requirement of any modification. PAS 2080 principles, including calculating embodied carbon, will be applied during the design, build and operation process.

- Active Travel Transformation Fund (ATTF): This fund is intended to support the delivery of eligible active travel schemes in 2023/24 and as a secondary aim to support progress towards successful applications in future years, helping to ensure that a wider pipeline of projects is being developed ahead of the budget commitment for 2024/25. The overall aim is to achieve the active travel outcomes set out in the Government's Active Travel Framework published in November 2019. The Roads Service application for grant funding was submitted to Transport Scotland and notification received that a number of projects were to be funded to the sum of £242,000. These projects were to improve existing, and construct new paths in Baltasound, Brae, Symbister, Lerwick and Gulberwick. These paths are now complete and open for use by pedestrians and cyclists.
- Electric Vehicle Charging Infrastructure - Work has been ongoing on the Electric Vehicle Infrastructure Expansion Strategy for public charge points. Urban Foresight completed the initial review and evaluation framework for potential future expansion of the public charging network. This is the first part of the strategy development. A 3-year collaboration agreement has been entered into with HITRANS which includes partner rural and island Local Authorities. Part of the collaboration works is individual Council area network review to be to look at various sites across Shetland for potential small charging hubs.
- A charging tariff was introduced for the beginning of the new financial year and the impact of this on utilisation of the charge points will be reviewed going forward and will feed into the above work.
- Island's combined Strategy and Expansion Plan has been forwarded to Scottish Future's Trust (SFT) for appraisal. This is a working document for the duration of the programme. Once it has been reviewed by SFT, HITRANS will be able to apply for grant funding, as lead of the collaboration group.
- Fleet Network - Funding was received in the financial year 23/24 to install further charge points at Council sites. Charge points have been installed at Northhaven, Islehaven, Wastview, Overtonlea and Nordalea care homes.
- Rapid charger installed at Gremista Base.
- Works undertaken to develop the business case on Greening the Fleet, including provision of budget, was approved.
- Contract works and kick off for the Inter-island Transport Connectivity Programme, which will review and make recommendations on transport options to Unst, Yell, Whalsay, Bressay, Fetlar, Skerries, Papa Stour and Foula.

Activity planned for 24/25

- Shetland Islands Council had applied for grant funding and plan to undertake three projects. These are the improvement of an existing path used by school pupils to access Hamnavoe School, the provision of traffic calming on Gilbertson Road on the route to Bell's Brae Primary School and the provision of "gateway" entry treatments outside Shetland's schools.
- Shetland's allocation from the Cycling, Walking, Safer Routes fund, now renamed Tier 1 active travel funding, was increased from £100K to £200K for financial year 2024/25. This funding is to be used to:
 - undertake topographical surveys for and the design of active travel paths in Aith, Whiteness, Symbister, Sandwick, Baltasound, Bressay, Burra, Voe and Hillswick;
 - provide a 20 mph speed limit for Scalloway;
 - construct a pedestrian refuge island at the Tingwall staggered junction;
 - install bike shelters/hangars at various public buildings; and
 - improve the junction of the Knab footpath with Breiwick Road.
- Fair Isle Ferry and Terminal Replacement Project – Award contracts for infrastructure and ferry building.
- Greening the fleet - Fleet transition through a conversion on a location by location basis will commence from next year.
- Inter-island Transport Connectivity Programme – The programme is an 18 month contract which includes developing the network strategy Strategic and Outline Business Cases, conducting stakeholder engagement to support and inform that development, and setting out the implementation route map that will set out the order in which individual projects should be prioritised. Following a competitive bid process, Stantec UK Ltd was awarded the contract for the Inter-island Transport Connectivity Programme in June 2024.
- Continue to roll out the electric vehicle replacement programme and charging network
- To implement asset management practices to optimise maintenance of the road network in order to minimise financial and carbon costs. An example being the early use of low cost treatments such as surface dressing to avoid higher cost resurfacing or reconstruction. The Council's Road Asset Management Plan (RAMP) will be updated with consideration given to advances in maintenance treatments and materials that would reduce the carbon footprint of the Council's road maintenance.

- HVO trials are planned for heavy vehicles with the skip truck proposed as an initial trial, this is a biofuel which is transitional fuel with a lower carbon footprint.

Resources and Waste



Strategic Objectives

- Promote efficient resource and waste management across Shetland through the development of a Shetland Resource and Waste Strategy and begin its implementation.
- Reduce emissions from the Council's waste operations in line with net zero targets.
- Improve Council resource management through reducing waste generated by 50% and increasing recycling of remaining waste by 50% by 2040.
- Support communities to reduce amount of waste generated in Shetland and increase recycling of remaining waste, encouraging the transition to a local, circular economy.
- Promote and support the development of local produce networks, including 'Grow Your Own' and 'Buy Local' initiatives, with an aim to increase the amount of local produce consumed in Shetland, increase local food security and reduce food and product miles.

Activity undertaken in 23/24

- Shetland Library statistics for financial year 2022-2023 showed that book loans and library visits are up considerably. Visits to Lerwick Library were up 65% and loans up 39%. Loans of children's books, both fiction and non-fiction, are now higher than pre-lockdown.
- The Catering and Cleaning Service has won several awards:
 - The ASSIST FM award for Outstanding Contribution to Catering award for our work with local food procurement;
 - The Footprint Media Award for Sustainability in Education (beating Sodexo, Nestle and Chartwells) again for work with local food procurement;
 - Finalists for the APSE catering service awards again for local food procurement and
 - Finalists for the MJ awards in the Community Awards for Christmas meals on Christmas day to those struggling with the cost of living crisis.
- Individual desk bins have been removed from all of the bigger offices with central waste and recycling points put in place. Work is ongoing to monitor

the impact this has on increasing recycling rates. This will continue to be rolled out across all council offices and possibly also into schools.

- 4 new essay kerts (Refuse Collection Vehicles) which are hydrogen ready were ordered, delivered and deployed.

Activity planned for 24/25

- Develop a Shetland Waste and Resource Use Strategy and Action Plan. Undertake an exercise to collate and map existing information and processes related to resources and waste in Shetland, to outline the current picture. Scope proposed upcoming changes to resource and waste management (ie Deposit Return Scheme and Extended Producer Responsibility) to understand how waste composition will change, proposed timelines and islands impact. Horizon scan, undertake a gap analysis and identify changes required to future proof and decarbonise waste management in Shetland
- Undertake a detailed feasibility study into the decarbonisation of emissions associated with waste sources and operation of the ERP, including carbon capture storage, future waste composition and contracts for additional waste suppliers. Develop a set of recommendations and an action plan. Develop business cases as appropriate and implement best options.
- Undertake an analysis on essay kert (Refuse Collection Vehicle) route optimisation to reduce emissions and improve efficiency. Develop a list of recommendations and implement as appropriate.
- Continue to review and implement methods of encouraging a reduction in waste generation and increase in recycling across our council estate.

Business and Industry



Strategic Objectives

- Work with partners to support decarbonisation, adaptation and a circular economy by supporting long term, sustainable business models where people and the environment are key priorities.
- Support the embedding of community wealth building principles where progressive procurement, socially productive land and property use, and approaches to business development are directed towards a place-based approach to economic development.
- Make Shetland a hub which attracts citizens to learn, develop and utilise green skills within our business and industry sectors.

Activity undertaken in 23/24

- Islands Growth Deal: The Islands Growth Deal was signed by both UK and Scottish Governments in January 2023. The 10-year investment programme sees Shetland projects receiving approximately £33.3m investment across that period. Full Business Cases (FBCs) will be developed as projects progress towards their delivery phase with the latest update as follows:
 - Knab Redevelopment (SIC lead); Programme FBC submitted
 - Shell-volution (UHI lead); FBC submitted
 - Shetland Campus Redevelopment (UHI lead); FBC in development (with Space work package to follow)
 - Dales Voe Ultra-deep Water Quay (LPA lead); developing FBC
 - Islands Centre for Net Zero Shetland; at options appraisal stage
- Islands Deal – Islands Centre for Net Zero Shetland Project - The Full Business Case for the umbrella Islands Centre for Net Zero (ICNZ) was approved by the UK and Scottish Governments. ICNZ will be launched in Q1 2023-24 and the formal data sharing and identification of collaborative projects between Orkney, Shetland and the Western Isles will begin at that point. The £5M ICNZ Shetland Programme is one of the ICNZ work packages and is being progressed to a Full Business Case for approval by the end of March 2025.

- Agriculture and Rural Development – Islands Collaboration Report: a partnership including the local authorities and Local Action Groups in Shetland, Orkney and the Western Isles engaged Scotland’s Rural College (SRUC) to research the impacts on the island areas of proposed agricultural policy changes arising from the Scottish Government’s Agriculture and Rural Communities Bill. This reflected concern that national-level policy may not adequately recognise local contexts - including considerable differences in underlying biophysical growing conditions, transport costs, demographic trends, digital connectivity and land tenure - with potential adverse implications for island economies, environments and communities. The consultancy was funded from collaboration funding made available through the Scottish Government’s Community Led Local Development Programme, and the report produced includes recommendations that policy development at national level requires to take more account of island contexts.

- The Economic Development Service’s primary contribution is to support local businesses and organisations to develop projects which improve sustainability, reduce carbon emissions and contribute to achieving net zero. The Service operates a number of funding scheme which include:
 - Shetland Business Start Up Grant – provides up to £4,000 towards start-up costs for new enterprises
 - Economic Development Grant Scheme – provides grants of 50%, up to £25,000 for projects which develop the local economy
 - Rural Retail Services Scheme – provides capital grants of 75%, up to £10,000, for projects which improve the sustainability of rural shops
 - Coastal Communities Fund – provides grants of up to £100,000 for projects which invest in community infrastructure, build community capacity, develop community assets and encourage inclusive growth.

- While grant schemes are not specifically focused on climate change, the service seeks to prioritise projects which will contribute to net zero goals while also delivering economic benefits (for example, improving the sustainability of community buildings by supporting energy efficiency measures). The points below provides an indicative list of projects supported in 2023/24 which contribute to climate change goals:

- Economic Development Grant Scheme: Council approved a grant under the Economic Development Grant Scheme, to Foula Electricity Trust with a total grant commitment of £25,000.

- Rural Retail Services Scheme
 - Skibhoul Stores - £3,312 towards Lighting Upgrade and £6,800 towards Chiller Upgrade
 - Eid Community Co-op - £10,000 towards Lighting, Heating and Cold Storage

- JWJ (Whalsay) Ltd - £10,000 towards Upgraded Cold Storage and Windows
- Scalloway Meat Company - £10,000 towards Upgraded Fridges
- Tetley & Anderson - £10,000 towards Freezer Upgrade
- Coastal Communities Fund
 - Sandwick Youth and Community Centre - £33,750 towards SYCC Regeneration Project
 - North Yell Development Council - £40,000 towards Yell Resilience Hub Network
 - Shetland Livestock Marketing Group - £25,000 towards Wind Turbines and Heating System
 - Fetlar Community Association - £100,000 towards Upgrade of Fetlar Community Hall Roof
- The Council is a member of the local Green Skills Group, chaired by Shetland UHI – in 2023/24 this group participated in the Heat Decarbonisation Pathfinder project, which was led by Skills Development Scotland and intended to build better understanding and evidence of future skills needs to support Scotland’s transition to net zero, specifically in relation to heat decarbonisation of commercial and domestic buildings. The analysis aimed to improve understanding of any potential gaps (real or perceived) in provision required to develop the skills needed to support the range of identified opportunities, flowing from known investment in Glasgow City Region and Shetland and to highlight other issues likely to impact on skills for heat decarbonisation.

Activity planned for 24/25

- Review of Economic Development Grant Scheme – the scheme guidance was reviewed and updated to ensure climate principles were properly prioritised in scheme objectives. Specifically, ‘sustainable use of resources’ was added as a primary objective for the scheme, and applicants are required to provide comment as part of the application process as to any actions they are taking to progress to net zero;
- Business Energy Scotland – the Economic Development Service hosted a visit to Shetland by an energy specialist from Business Energy Scotland (BES) in June 2024. This included a training session to Council staff, direct individual business consultations and a Business Gateway public lunch event for businesses to learn more about BES services;
- UK Shared Prosperity Fund – as part of the Shetland Investment Plan which guides the local allocation of UK SPF funds, the Council has been working with Shetland UHI to fund a programme of ‘green skills’ training courses. This includes developing new course units, marketing and outreach work;

- Shetland Inshore Fish Survey – the Council provides annual funding to Shetland UHI towards the inshore fish survey. This provides data on fish stocks in inshore waters which can be an indicator of climate change impacts.
- Community Benefit – as part of the commitments relating to Shetland’s Energy Development Principles, the Council has commissioned research and consultancy work to look at the current landscape regarding community benefit accrued from major infrastructure development (particularly energy developments). The work will look at revenue and capital funding models for energy developments, current practice in community benefit (locally, in the UK, and further afield) and provide comment on proposed community benefit models for the future.

Nature Based Solutions



Strategic Objectives

- Facilitate, support and promote a reduction in greenhouse gas emissions from land and sea across Shetland, a reduction in biodiversity loss and an increase in biodiversity gain, mitigating ecological risk.
- Support an increase in levels of peatland restoration and tree planting works occurring across Shetland through skills development, building capacity, raising awareness and streamlining access to available funding.
- Work with Partners to ensure nature-based solutions are considered and implemented to mitigate damage to land and coastlines from the future physical risks related to climate change.
- Aspire to protect peatland habitat, carbon-rich soils, wild land and coastal landscapes from planned development.
- Explore the role of blue carbon and marine carbon sequestration.

Activity Undertaken in 23/24

- Met with the Cabinet Secretary for Rural Affairs, Land Reform and Islands, Mairi Gougeon, in May 2023 to discuss land use and peatland restoration.
- Presentation delivered to the Shetland Agricultural Working Group in May 2023 entitled 'Shetland Net Zero Route Map – Peatland in context' to explain and discuss key findings of the NZRMs for Shetland and SIC.
- Invited to become members of the Agricultural Working Group. Work here has since focused mainly on engagement with SRUC's Steven Thomson and release of the report *Rural and Agricultural Development – Maximising the Potential in the Islands of Orkney, Shetland & Outer Hebrides*.
- Work was undertaken to assess the options for improving efficiency and biodiversity value of the Grounds Maintenance contract administered by Infrastructure Services. Due to potential heightened costs, efforts are underway to re-draft project objectives and initiate new project.
- Continued engagement with the Shetland Peatland Partnership. Working with members to develop the first draft of the Peatland Partnership Strategy document.

- Initiation of development of the SIC Land Strategy within which peatland, land use, grounds maintenance and biodiversity will sit.

Activity Planned for 24/25

- Begin development of a new Land Strategy for SIC landholdings and related operations. This will be undertaken jointly by Climate Change Strategy and Assets. The strategy will bring together many of the aforementioned projects including Grounds Maintenance, and peatland restoration.
- Development of a SIC Tree and Woodland Management Strategy
- Continued engagement with the Shetland Peatland Partnership. Working with members to develop the first draft of the Peatland Partnership Strategy document.
- Ongoing relationship between Climate Change Strategy officers and those from Assets, Commissioning and Procurement, Planning and, Environment and Estate Operations.
- Initiation of new, re-drafted Grounds Maintenance project to assess opportunities for enhancing efficiency and improving local biodiversity and natural spaces within SIC landholdings.
- Seek funding to commission LiDAR mapping of Shetland in order to provide valuable data for climate change and land use planning. This data will help deliver actions in the climate change strategy action plan, future coastal adaptation planning strategies, flood risk planning and land use plans.
- Seminar to be held with Elected Members on the subject of peatland, and options for restoration and management.