Shetland Development Charter

EmPowering Shetland

Shetland has a long and proud history of working with businesses and organisations in ways that benefit our islands, and those who choose to invest here. We seek to strike a balance between attracting and sustaining inward investment while securing the long-term prosperity of our communities and our foundational industries, including fishing and agriculture.

The Shetland Development Charter sets out key expectations of investors in Shetland. It also sets out commitments from Shetland so our community can adequately and proportionally benefit from hosting developments of varying scale and nature. The charter follows on from the extensive partnership working of the Shetland Energy Development Principles, A Fair Share for Shetland, and Shetland Islands Council's Community Benefit Report and best practice.

The main aims of the charter are:

- To ensure Shetland's move to renewable energy is fair for everyone
- To ensure the local community is heard and local needs are considered
- There is joined-up thinking when it comes to developments - to avoid duplication of infrastructure and to protect our environment
- Projects deliver clean, secure and affordable energy
- Projects deliver a legacy for Shetland residents and local industry

This charter is led by EmPowering Shetland, a partnership that supports a collaborative and place-based approach to investment in Shetland. The partnership includes Shetland Islands Council, Highlands and Islands Enterprise, UHI Shetland, Lerwick Port Authority, Shetland Net Zero Energy Forum and Norn Engineering Alliance.

EmPowering Shetland aims to support new development that contributes to the long-term wellbeing of our island communities. The idea of the group is to give Shetland a clear, consistent and constructive voice – helping investors understand local priorities early on. The message from EmPowering Shetland and the message in this charter is simple: Shetland will work with partners who recognise the value of doing things fairly and collaboratively.

The Shetland Development Charter is a non-statutory framework. **The charter does not replace existing planning, consenting and regulatory processes**. It allows opportunities and challenges to be discussed openly and constructively. Investors should still engage with local authority planning services and other regulatory services at the earliest, possible opportunity.

We recognise each developer will have their own legal, regulatory and industry frameworks within which they need to operate, and the application of these principles will vary between individual developments. However, the charter sets out the non-stautatory expectations as to how developers will engage locally.

- By signing up to the Shetland Development Charter, investors will also commit to developing a Shetland Development Charter Delivery Plan, demonstrating how the principles of the charter will be upheld within their project
- Investors should engage with EmPowering Shetland and all relevant regulatory services from the outset of their project, and throughout
- Investors will report project progress to EmPowering Shetland as set out and agreed within their Shetland Development Charter Delivery Plan. This should be in the form of an annual report on progress towards commitments within the delivery plan

Except where otherwise required by law, any statement of intent, commitment or obligation attributed to the Shetland Islands Council within this document shall be construed as purely aspirational in nature. Such provisions shall not establish a binding or mandatory obligation but shall instead be interpreted solely as a commitment by the Council to endeavour to perform, or refrain from performing, the specified acts. Nothing in this document shall be construed as a fetter or restriction on the exercise by the Council of any its statutory functions. Notwithstanding anything to the contrary in this document, the Council remains fully and effectually able to exercise unfettered all of its statutory and other legal powers, rights, and responsibilities. Nothing contained in this document shall be construed as requiring the commission or omission of any act by the Council that is, would be, or would be likely to be, contrary to the laws of Scotland.

Commitment from investors to Shetland	Commitment from Shetland
A Just Transition	
Investors will: • Support local efforts to provide clean, secure and affordable energy • Inform the community and relevant stakeholders - explaining plans clearly and in a timely manner • Work with the Shetland community and local industry • Empower the community –listen to and provide clear benefits to people who live and work here • Prioritise community wellbeing while minimising negative environmental, economic and community impacts • Demonstrate how consultation and engagement with community and industry stakeholders has meaningfully and positively affected project development • Work collaboratively with other developers to share information, resources and infrastructure • Ensure there is joined-up thinking across Shetland developments, minimising disruption and competition for resources, and maximising local supply chain and benefit to Shetland	**We will:** • Work collaboratively with large-scale developers and investors championing local industry capability and experience • Support local industry and workforce to transition and adapt to support project delivery • Examine and progress all routes to reduce the cost of energy to support the delivery of clean, secure and affordable energy to customers in Shetland • Listen to and engage with the community at every stage of development
Ownership	
Investors will: • Engage with the community on co-development and/or shared ownership at the earliest opportunity • Provide support and advice to local energy projects to advance smart energy systems	**We will:** • Facilitate and engage in discussions on ownership options • Develop a plan to identify projects to support affordable energy and to accelerate the transition to net zero

Commitment from investors to Shetland	Commitment from Shetland
Environmental Protection	
Investors will: • Mitigate any adverse impacts on Shetland's environment; including our species/habitats, archaeological sites, buildings and heritage • Demonstrate protection and enhancement of wildlife and biodiversity on and around Shetland, including marine and terrestrial habitats • Monitor and mitigate potential impacts, including cumulation with other developments, on our landscape and seascape from developments and manage and contain detrimental effects • Minimise the visual impact of developments on our landscape – any infrastructure developed within the project must be designed and sensitively sited to minimise their impact	**We will:** • Provide advice and guidance on how environmental monitoring systems can support cross sectoral engagement and fully understand the impact of developments • Signpost to environmental information and data from across Shetland, as well as local knowledge and expertise to minimise impacts
Our Economy	
Investors will: • Ensure that competition for mutually important locations and resources with existing businesses and economic sectors, which rely on our natural resources and are vulnerable to changes within this environment, are managed in such a way as to safeguard the continued safe and sustainable operations of existing sectors, including agriculture, aquaculture and the fishing industry • Ensure consideration of the whole energy system, enhanced economic opportunities, job creation, and a supportive regulatory environment • Engage at an early stage with local businesses and/or industry groups • Strive to design systems and levels of integration that minimise lost/wasted resources	**We will:** • Ensure local developments are co-ordinated with infrastructure, land use, community priorities etc.in line with Place Principle • Work with partners to identify the most effective energy system in and around Shetland • Provide clarity on land use through the Sullom Voe Development Framework, and potential future collaborations • Signpost to economic information and data from across Shetland

Commitment from investors to Shetland	Commitment from Shetland

A Fair Share for Shetland

Investors will:

- Commit to upholding the principles of A Fair Share for Shetland

We will:

- Work to receive a fair share as set out in A Fair Share for Shetland

Community Benefit

Investors will:

- Provide a community benefit package separate from local benefits derived from supply chain activity, job creation, and other local impacts;
- In the case of energy generation developments, commit to the recommended figures below for community benefit payments, as set out in the Analysis of Shetland Community Benefits

Sector	Onshore wind	Floating Offshore Wind	Hydrogen / Ptx/ CCS
Gross Project Revenue	5%	2.5%	
Guaranteed minimum payment	£7.3k/ MW/year (2024 prices)	£5.0k/ MW/ year (2024 prices)	Agreed based on a minimum production threshold

- In the case of non-generation projects, community benefit should be delivered in line with prevailing best practice, as established by government guidelines

We will:

- Negotiate with developers to receive and oversee funds, and to distribute these in a manner which is fully-aligned with the need for democratic accountability, transparency, value for money, and commitment of funds and strategic priorities for the community

Commitment from investors to Shetland	Commitment from Shetland
Local Supply Chain Integration and Community Wealth Building	
Investors will: • Create local jobs adhering to Fair Work First principles • Adopt the Shetland Supply Chain Commitments to create and increase opportunities for the local supply chain • Support and enable communities to develop commercial and community infrastructure, such as marine infrastructure, buildings, roads, local energy development. This is to deliver added value to local industry and activities • Support skills and training for current, and new islands residents	**We will:** • Develop a Community Wealth Building Plan to set out the priorities for Shetland • Support developers to implement the Shetland Supply Chain Commitments and deliver high-quality jobs and growth of local industry • Ensure everything is in place for developers to commit to delivery of strategic projects to Shetland such as housing and commercial infrastructure • Work with developers to provide education and training opportunities for people living and working in Shetland
Housing	
Investors will: • Provide legacy housing when undertaking large-scale development or provide financial contribution to wider housing developments	**We will:** • Provide financial models for investors. This will include investment in council/housing association/community models • Include these developments in the LA Strategy Housing Investment Plan (SHIP)
Fiscal and Regulatory Changes	
Investors will: • Explain to the community the technical and non-technical barriers to their development • Make best use of surplus energy available to deliver affordable energy to local customers and develops new industry	**We will:** • Engage with investors and regulatory bodies to understand and challenge the technical and non-technical barriers of energy transition • Continue to make the case to prioritise community and local generation in the grid connection queue and for the delivery of clean, secure and affordable energy

How to Engage with the Shetland Development Charter

1. **Early Engagement**

   Engage with EmPowering Shetland and Shetland Islands Council planning and regulatory services at the earliest stage of project development. Initial discussions should outline project scope, location, timelines and potential impacts.

2. **Charter Delivery Plan**

   Prepare a proportionate Shetland Development Charter Delivery Plan demonstrating how charter commitments will be delivered. This should include community engagement, community benefit, supply chain and workforce commitments, and key environmental and infrastructure considerations.

3. **Agreement and Integration**

   Agree the delivery plan with EmPowering Shetland and relevant partners, and embed commitments within project design, procurement and delivery.

4. **Ongoing Engagement and Reporting**

   Maintain regular engagement throughout project development and delivery. Provide updates against the agreed delivery plan and demonstrate how stakeholder feedback has influenced decisions and outcomes.

5. **Review and Adaptation**

   Review and update commitments as projects evolve, ensuring continued alignment with community priorities and project scope.

EmPowering Shetland