



Marine Scotland

Bluemull and Colgrave Sounds Special Protection Area (SPA) Business and Regulatory Impact Assessment

December 2020

Partial Business and Regulatory Impact Assessment

Title of Proposal

Bluemull and Colgrave Sounds Special Protection Area (SPA)

Purpose and intended effect

• Background

The Scottish Government is committed to a clean, healthy, safe, productive and biologically diverse marine and coastal environment that meets the long term needs of people and nature. In order to meet this commitment our seas must be managed in a sustainable manner - balancing the competing demands on marine resources. Biological and geological diversity must be protected to ensure our future marine ecosystem is capable of providing the economic and social benefits it yields today.

The EU Wild Birds Directive (2009/147/EC as codified) requires Member States to classify as Special Protection Areas (SPAs) the most suitable territories for wild birds. Building on the work of the SPA Review Working Group and taking account of existing guidelines on the identification of SPAs (JNCC, 1999), Scottish Natural Heritage (SNH) and the Joint Nature Conservation Committee (JNCC) have identified 14 sites which they consider essential for marine SPA status. These proposals include sites supporting wintering waterfowl, important areas for red throated divers, terns, European shag and foraging seabirds.

The Bluemull and Colgrave Sounds Special Protection Area (SPA) (Figure 1) stretches from the north coast of Yell through Bluemull Sound down through Colgrave Sound as far south as the White Hill of Vatsetter (approximately 3km south of Hascosay).

The site supports a population of European importance of the following Annex 1 species:

Red-throated diver (*Gavia stellata*)

The site comprises in total an area of 46.65 km².

The coastline of the SPA is mostly cliff albeit well interspersed with sandy beaches and bays. Inshore through much of the site depths are generally less than 40m but offshore, especially to the south of Bluemull and Colgrave Sounds, water depth rapidly increases (Barne *et al* 1997). Sediments are largely gravel and sand and support a diversity of fish, polychaete worms, gastropod and bivalve molluscs. The inshore waters also provide nursery areas for a number of species including sandeels. Both pelagic and demersal fish shoal and spawn in the seas surrounding Shetland.

Shetland is a stronghold for breeding red-throated divers with one third of the UK's breeding population occurring in Shetland (Dillon *et al* 2009). During the summer

months, these waters are an important foraging area for a high concentration of red-throated diver nesting territories on adjacent islands. Red-throated divers breed on freshwater lochs on blanket bog and moorland. Although red-throated divers nest inland in Shetland, they fly to forage in nearby inshore waters. Foraging dives are usually less than 10m deep, mostly in shallow coastal waters within 9km of the nest location while breeding.

Their main prey items are a range of fish species including cod (*Gadus morhua*), herring (*Clupea harengus*) and a number of small species such as gobies (*Gobiidae*). In some areas (including Shetland) sandeels (*Hyperlopus lanceolatus* and *Ammodytes* sp) form an important part of the diet.

The waters within the SPA provide vital feeding grounds for over 170 pairs of breeding red-throated divers (14% of the British (GB) population). During summer, red-throated divers nest at the edges of freshwater lochs and peatland pools on the islands within easy flying distance of their coastal feeding grounds. They forage primarily by surface diving for small fish but their diet can also include shellfish and invertebrates such as marine worms.

- **Objective**

The EU Wild Birds Directive requires member states of the EU to identify SPAs for:

- rare or vulnerable bird species (as listed in Annex I of the Directive); and
- Regularly occurring migratory bird species.

And to do so in the geographical sea and land area where the Directive applies.

The EU Wild Birds Directive was adopted in 1979 by the EU member states due to increasing concerns about declines in Europe's wild bird populations caused by pollution, loss of habitats and unsustainable exploitation. The EU Wild Birds Directive recognises that wild birds, many of which are migratory, are a shared heritage of the member states and that their conservation needs international co-operation. The creation of a network of protected sites, including SPAs, is one of several conservation measures that contribute to the protection of rare, vulnerable and migratory bird species.

In the UK to date, three entirely marine SPAs have been classified. These are Outer Thames Estuary SPA (England), Liverpool Bay/Bae Lerpwl SPA (English/Welsh cross-border) and Bae Caerfyrddin/Carmarthen Bay SPA (Wales). In Northern Ireland, Rathlin Island SPA comprises both terrestrial and marine components, and in Scotland, 31 marine extensions to seabird colony SPAs have been classified.

Further work is required to complete a marine UK-wide network of SPAs at sea in order to meet the needs of seabirds and waterfowl. The Joint Nature Conservation Committee (JNCC) has been working over the past decade on behalf of all the countries' Statutory Nature Conservation Bodies (SNCBs) to complete a programme of data collection and analysis to inform the provision of advice on possible sites. Natural England, Natural Resources Wales, and the Department of Environment Northern Ireland (DoENI) are considering several possible marine

SPAs in English, Welsh and Northern Irish inshore waters, including extensions to existing seabird colony SPAs and entirely marine SPAs.

The network of marine SPAs in Scotland is being progressed by Scottish Natural Heritage (SNH) where these fall largely within 12 nautical miles from shore and by Joint Nature Conservation Committee (JNCC) where they fall largely beyond 12 nautical miles. SNH and JNCC have identified 14 sites which they consider essential for the completion of a list of marine SPAs. These proposals include sites supporting wintering waterfowl, important areas for red throated divers, terns, European shag and foraging seabirds.

Evidence in this BRIA is drawn from the work of statutory nature conservation bodies and consultants ABPmer and eftec¹. It brings together the science-led arguments for classification and the projected potential social and economic consequences of such action. This will inform Scottish Ministers of the possible impacts of designating the SPA, and due to requirements of the Birds Directive this will be for informational purposes only as the decision to classify SPAs can only be on the basis of scientific evidence. The site has been identified for classification as an SPA due to the confirmed presence of biodiversity features detailed above.

This BRIA examines the socio-economic impact of designating Bluemull and Colgrave Sounds site as an SPA. The assessment period covers the 20 year period from 2015 to 2034 - reflecting the time horizon within which the majority of impacts are expected to occur. As with any socio-economic assessment related to environmental classifications, the findings should be considered as estimates, and in cases where greater uncertainty exists, such as for fisheries, are deliberately presented as worst-case scenarios to build in necessary caution.

In addition a range of scenarios are presented to account for the inherent uncertainty associated with such proposals. Lower, intermediate and upper scenarios have been developed to reflect the requirements for management measures, the spatial extent of features and the extent to which OSPAR/BAP² features are already afforded protection. The intermediate scenario is viewed as the best estimate. The estimated impacts across the three scenarios commonly vary quite significantly.

- **Rationale for Government intervention**

The EU Wild Birds Directive (2009/147/EC as codified) requires Member States to classify as Special Protection Areas (SPAs) the most suitable territories for wild birds. The Scottish Government is responsible for identifying SPAs for Scotland.

In addition, the Scottish Government has a number of international commitments to deliver a network of MPAs. Scotland's marine environment provides: food; energy sources (wind, wave and tidal power, minerals and fossil fuels); routes and harbours for shipping; tourism and recreational opportunities; and sites of cultural

¹ The Scottish MPA Project: Second Iteration of Site Proposals – Developing the Evidence Base for Impact Assessments, ABPmer

² Biodiversity Action Plan

and historical interest. Scotland's seas contain important distinctive habitats and support a diverse range of species that require protection in order to be conserved or for recovery to be facilitated. Due to the competing demands placed upon Scotland's marine resources, more effective management is required so that a balance between conservation and sustainable use can be struck. Currently there is not sufficient protection in place to ensure that the marine environment is properly protected and complex ecosystems safeguarded.

The SPAs will form part of an ecologically coherent network of well-managed MPAs that is vital to conserve and regenerate our seas, in turn protecting the many goods and services they provide now, and for generations to come.

Consultation

• Within Government

Consultation has been undertaken with policy colleagues within Marine Scotland, including aquaculture, nature conservation, marine renewables, fisheries and fresh water fisheries, and with Transport Scotland.

Historic Environment Scotland and the Scottish Environmental Protection Agency have also been consulted. Meetings were held with policy officials within these public bodies to discuss the development of these SPAs. We have also been working with Defra and other UK Departments on the join up between the Scottish MPA network, which includes SPAs, and the wider UK contribution to the OSPAR MPA network.

• Public Consultation

A full public consultation took place in Autumn 2016. Further consultation took place in Autumn 2018 on a Network Assessment for the proposed set of sites and the SEA. An update to the SEA was consulted on in the summer of 2019.

• Business

Routine updates are provided to the Marine Strategy Forum and are supplemented with bilateral meetings across sectors including the fishing industry, environmental NGOs, tourism and recreation, nature conservation, renewable energy, aquaculture, ports and harbours, defence and local community groups.

A National Workshop attended by a wide range of stakeholders was held in March 2016 to present the proposals and gather feedback on the proposed consultation package.³

³ <http://www.gov.scot/Topics/marine/marine-environment/mpanetwork/marinespas/spaworkshop>

Options

Option 1: Do nothing

Option 1 is the 'Do nothing' option; this is the baseline scenario. Under this option, the proposed Bluemull and Colgrave Sounds site is not classified. Accordingly, no additional management measures would be required.

Option 2: Classify site as a Special Protection Area

Option 2 involves the formal classification of the Bluemull and Colgrave Sounds site. Classification would provide recognition and protection to the natural features of the site while also contributing to the wider Scottish and UK SPA network. Requisite management would be required to maintain the status of the site.

- **Sectors and groups affected**

The following sectors have been identified as present (or possibly present in the future) within the proposed Bluemull and Colgrave Sounds site and potentially interact with one or more of the features:

- Aquaculture (Finfish)
- Aquaculture (Shellfish)
- Energy generation
- Ports and harbours
- Public Sector

Affected sectors may be impacted to a greater or lesser degree by classification depending on which scenario is pursued and which management option is preferred.

- **Benefits**

Option 1: Do nothing

No additional benefits are expected to arise from this policy option.

Option 2: Classify site as a Special Protection Area

The extent and quality of habitat and available food around Scotland's coast supports huge numbers of different species of seabirds. Few countries can match this and we have an international responsibility to protect what we have around Scotland. Therefore the appropriate action is to protect and maintain Scotland's seabird and water bird populations and meet the requirements of the EU Birds Directive.

SPAs are created to meet international commitments under the EU Wild Birds Directive, which promotes the conservation of wild birds. SPAs are managed to safeguard the birds and avoid significant disturbance and deterioration of their

habitats. This means that proposed activities likely to affect an SPA are assessed for their potential to cause such disturbance or deterioration. The relevant consenting authority must ensure beyond reasonable scientific doubt that any impact is not significant before permitting the activity.

While it may not be possible with current levels of research to monetise benefits with a satisfactory degree of rigour, it is clear that many of the benefits relate to aspects of our lives that we take for granted and for which it is good practice and common sense to maintain through protection measures such as SPAs.

Contribution to an Ecologically Coherent network

Scotland's seas support a huge diversity of marine life and habitats, with around 6,500 species of plants and animals, with plenty more no doubt to be found in the undiscovered depths of the north and west of Scotland. Our seas account for 61% of UK waters and remain at the forefront of our food and energy needs, through fishing, aquaculture, oil and gas, and new industries such as renewables, as well as recreation activities and ecotourism. This SPA is a contribution to a wider network of Marine Protected Areas designed to conserve and regenerate our seas. This in turn will help ensure that ecosystem goods and services continue to support current and future generations. It is likely that an ecologically coherent network of marine protected areas is likely to provide greater benefit than the sum of its individual components.

Ecosystem Services Benefits

Ecosystems are very complex, and it is thought that the more complex an ecosystem is the more resilient it is to change. Therefore, if it is damaged or if a species or habitat is removed from that ecosystem, the chances of survival for those services reduce as the ecosystem becomes weaker. However, by conserving or allowing the species and habitats that make up that ecosystem to recover, we can be more confident of the continuation of the long term benefits the marine environment provides.

Non-Use Values

Non-use value of the natural environment is the benefit people get simply from being aware of a diverse and sustainable marine environment even if they do not themselves use it. We take for granted many of the things we read about or watch, such as bright colourful fish, reefs and strange shaped deep sea curiosities, to lose them would be a loss to future generations that will not be able to experience them. It is challenging to put a precise value on this, but the high quality experience derived from Scotland's seas can be better preserved through measures such as SPAs.

It is expected that non-use value will be attained as a result of classification and the support of wider conservation objectives. Whilst ecosystem services benefits at an individual site level cannot be readily calculated, the one-off non-use value to Scottish households of marine conservation in Scottish waters generated by the

additional 14 SPAs is estimated to be in the region of £74 million.⁴ This figure uses valuation evidence across several sites with similar features and characteristics and highlights the significant positive non-use value that divers and anglers within the Scottish marine environment place on securing the quality of the marine resources they use as a result of protection against degradation.

Use Values

There could be a major transformative effect on inshore habitat and a significantly enhanced flow of environmental goods and services. We know the inherent capacity of the system and the flora and fauna that it could support. Achieving that could see the expansion of recreational activities such as diving, sea-angling, and other tourism alongside sustainable methods of fishing.

Research by Kenter et al⁵ has been used to estimate the use benefits to divers and anglers specifically, as a result of classifications safeguarding the total recreational value of the sites. The additional increase in recreational value as result of implementing management measures for the 14 new SPAs has an estimated total present value of £2.1-6.2 million over the 20 year assessment period.⁶

In addition there is likely to be increased activity for businesses in the marine wildlife and tourism sector. This includes those directly involved (e.g. operating boat trips) and those benefiting indirectly (e.g. accommodation providers). The scale of this increase across the proposed sites cannot be quantified, but it can be expected to be some increment of the existing value of these activities. Given the marine wildlife tourism market is currently estimated to be worth £100's of millions per year, an increment of this could be expected to be worth in the region of £10 million per year across the network to the Scottish wildlife tourism market.⁷

Summary of Benefits

The uncertainties in each of the benefits assessed result in a large range of estimated values. Based on the available evidence, the combined total present value of the benefits for the new network (based on the additional benefits of the 14 new proposals) is tentatively estimated to be between in the region of £80 million over the 20 year assessment period. This is comprised of a one-off non-use value attained at designation to Scottish households of marine conservation in Scottish waters generated by the additional 14 SPAs of £74 million and an additional use value as result of implementing management measures for the 14 new SPAs of £2.1-£6.2 million.

For a qualitative summary of anticipated benefits to ecosystem services in this particular site see appendix A.

⁴ Developing the Evidence Base for Impact Assessments, ABP Mer

⁵ <http://uknea.unep-wcmc.org/LinkClick.aspx?fileticket=Mb8nUAph%2bY%3d&tabid=82>

⁶ Developing the Evidence Base for Impact Assessments, ABP Mer

⁷ Developing the Evidence Base for Impact Assessments, ABP Mer

- **Costs**

Option 1: Do nothing

This option is not predicted to create any additional costs to the sectors and groups outlined above.

However failure to classify the “most suitable territories” as SPAs would leave the Scottish Government exposed to a high risk of EC infraction proceedings, which may result in substantial one off and recurring fines.

In addition it should be noted that the societal cost of not designating could be both large and irreversible relative to the current condition of the marine environment. The absence of management measures to conserve the identified features may produce future economic and social costs in terms of increased marine habitat and biodiversity degradation. The option to not classify holds the potential to undermine the overall ecological coherence of the Scottish SPA Network. This potentially large and irreversible societal cost avoided is presented within the benefits section of the ‘do classify’ scenario (option 2) to avoid double counting the same impact.

Option 2: Classify site as a Special Protection Area

Costs have been evaluated based on the implementation of potential management measures. Where feasible costs have been quantified, where this has not been possible costs are stated qualitatively. All quantified costs have been discounted in line with HM Treasury guidance using a discount rate of 3.5%. Discounting reflects the fact that individuals prefer present consumption over future consumption.

Aquaculture (Finfish)

There are 21 finfish aquaculture sites within the boundary of the Bluemull and Colgrave Sounds to Haroldswick SPA. These are Wick of Vatsetter, Bow of Hascosay, Djubawick, Bastaness, Bastavoe South, Kirkabister, Hamars Ness, Bastavoe North, Sandwick, Winna Ness, South Holm of Heogland, Vee Taing, Mula, East of Holm Heogland (Burkwell), Wick of Belmont (South), Brecknagarth, Uyea Isle, Wick of Belmont, Rockfield, Wick of Garth and Pier. There are a further 5 additional finfish farms within 1km of the SPA. These are Belmont Loch, Coutts Mill, Flaeshins, Kirk Loch Incubation Unit and Snarravoe. However, all 26 of these shellfish aquaculture sites overlap with existing SPAs/MPAs for which no costs impacts are anticipated in this assessment.

Economic Costs on the Activity of Classification of the Site as an SPA			
	Lower Estimate	Intermediate Estimate	Upper Estimate
Assumptions for cost impacts	▪ Additional assessment to support planning applications; and	▪ Additional assessment to support planning applications; and	▪ Additional assessment to support planning applications;

	<ul style="list-style-type: none"> ▪ Additional assessment to support CAR Applications. 	<ul style="list-style-type: none"> ▪ Additional assessment to support CAR Applications. 	<ul style="list-style-type: none"> ▪ Additional assessment to support CAR Applications; and ▪ Additional bird surveys.
Description of one-off costs	<p>Under all scenarios:</p> <p>SSPO estimates that there will be a 12 planning applications across the SPAs in the next five years. For the purposes of this assessment, it has been assumed that similar rates of application occur in subsequent periods of the impact assessment and the distribution of planning applications is in proportion to the number of existing sites in each SPA. It is assumed that the additional assessments will fall in 2017, 2022, 2027 and 2032 and the costs of each assessment will be £5.2k; and</p> <p>It has been assumed that additional assessment will be required to support CAR licence applications at a cost of £5.2k per licence application incurred once every 10 years for each finfish farm installation within 1km of a new marine SPA where these installations are not already within an existing site (SAC, SPA or MPA). The CAR licence applications are assumed to be in 2020 and 2030 for all installations.</p> <p>For upper scenario only:</p> <p>It is assumed that a condition of the licence for each of the 12 planning applications will be to provide annual monitoring returns of bird entanglement at a cost of £0.5k per site per year starting in the year following submission of the planning application.</p>		
Description of recurring costs	<ul style="list-style-type: none"> ▪ None. 	<ul style="list-style-type: none"> ▪ None. 	<ul style="list-style-type: none"> ▪ None.
Description of non-quantified costs	<ul style="list-style-type: none"> ▪ Cost of uncertainty and delays in planning applications. 	<ul style="list-style-type: none"> ▪ Cost of uncertainty and delays in planning applications. 	<ul style="list-style-type: none"> ▪ Cost of uncertainty and delays in planning applications.
Quantified Costs on the Activity of Classification of the Site as an SPA (£millions)			
Total costs (2015–2034)	0.104	0.104	0.199

Average annual costs	0.005	0.005	0.010
Present value of total costs (2015–2034)	0.076	0.076	0.138

Aquaculture (Shellfish)

There are five shellfish aquaculture sites within the boundary of the Bluemull and Colgrave Sounds to Haroldswick SPA. These are Bunyasand, Camb Mid Yell, Port Henry, Kirkabister and Bastavoe. There are a further four additional shellfish sites within 1km of the SPA. These are Camb Mid Yell, Croo Taing, Hawksness, North Ayre and South Wick Cullivoe.

Economic Costs on the Activity of Classification of the Site as an SPA			
	Lower Estimate	Intermediate Estimate	Upper Estimate
Assumptions for cost impacts	▪ Additional assessment to support planning applications.	▪ Additional assessment to support planning applications.	▪ Additional assessment to support planning applications.
Description of one-off costs	Under all scenarios: It has been assumed that there will be 15 planning applications (new installations or extensions) that may be submitted at a national level in the next five years within or adjacent (within 1km) to new SPA proposals. For subsequent periods of the IA, it has been assumed that this number will reduce to 10 planning applications within new SPAs every 5 years. The total number of planning applications in each five year period has been assigned to individual new SPAs based on the relative number of existing installations within each new SPA. It is assumed that the additional assessments will fall in 2017, 2022, 2027 and 2032 and the costs of each assessment will be £5.2k.		
Description of recurring costs	▪ None.	▪ None.	▪ None.
Description of non-quantified costs	▪ Cost of uncertainty and delays in planning applications.	▪ Cost of uncertainty and delays in planning applications.	▪ Cost of uncertainty and delays in planning applications.

Quantified Costs on the Activity of Classification of the Site as an SPA (£million)

Total costs (2015–2034)	0.042	0.042	0.042
Average annual costs	0.002	0.002	0.002
Present value of total costs (2015–2034)	0.031	0.031	0.031

Energy Generation:

One operational tidal energy generation development is located within the Bluemull and Colgrave Sounds SPA boundary. The North Yell 30 kW tidal device was installed and commissioned in early 2015 in the Bluemull Sound in Shetland. Following on from this small-scale project, one commercial scale tidal energy development is currently in planning (pre-consent) for construction within the Bluemull and Colgrave Sounds SPA boundary, specifically within Bluemull Sound (up to 0.5 MW).

There are currently no offshore wind or wave energy generation developments within the Bluemull and Colgrave Sounds SPA boundary (or 10 km buffer).

Economic Costs on the Activity of Classification of the Site as an SPA			
	Lower Estimate	Intermediate Estimate	Upper Estimate
Assumptions for cost impacts	<ul style="list-style-type: none"> Additional assessment (HRA) of new wave and tidal development. 	<ul style="list-style-type: none"> Additional assessment (HRA) of new wave and tidal development; and Additional monitoring of SPA features for new tidal developments. 	<ul style="list-style-type: none"> Additional assessment (HRA) of new wave and tidal development; and Additional monitoring of SPA features for new wave and tidal developments.
Description of one-off costs	<ul style="list-style-type: none"> Additional assessment for licence application – £12,650 per licence application. Applications 	<ul style="list-style-type: none"> Additional assessment for licence application – £12,650 per licence application. Applications 	<ul style="list-style-type: none"> Additional assessment for licence application – £12,650 per licence application. Applications

	estimated for one tidal development (Bluemull Sound) to be submitted in 2016.	estimated for one tidal development (Bluemull Sound) to be submitted in 2016; and <ul style="list-style-type: none"> ▪ Additional monitoring of SPA features - £20k per development every three years following installation. Monitoring estimated for one tidal development (Bluemull Sound) to be installed in 2016, thus monitoring conducted in 2019, 2022, 2025, 2028, 2031 and 2034. 	estimated for one tidal development (Bluemull Sound) to be submitted in 2016; and <ul style="list-style-type: none"> ▪ Additional monitoring of SPA features - £20k per development every three years following installation. Monitoring estimated for one tidal development (Bluemull Sound) to be installed in 2016, thus monitoring conducted in 2019, 2022, 2025, 2028, 2031 and 2034.
Description of recurring costs	▪ None.	▪ None.	▪ None.
Description of non-quantified costs	▪ Costs of project delays during consenting; potential impact on investment opportunities.	▪ Costs of project delays during consenting; potential impact on investment opportunities.	▪ Costs of project delays during consenting; potential impact on investment opportunities.

Quantified Costs on the Activity of Classification of the Site as an SPA (£Million)

Total costs (2015–2034)	0.013	0.133	0.133
Average annual costs	0.001	0.001	0.001
Present value of total costs (2015–2034)	0.012	0.094	0.094

Possible social impacts may flow from the economic costs resulting from classification. There may be reduced future employment opportunities if additional costs are significant and render development projects economically unviable or if

delays arising from classification impact on potential investment opportunities. It is not possible to assess potential cost impacts relating to potential future development areas, such as the Sectoral Marine Plan options, that could be affected due to the uncertainty surrounding the location and nature of future development.

Ports and Harbours

There are seven minor ports/harbours (Belmont, Burravoe, Cullivoe, Gutcher, Mid Yell, Oddsta and Uyeasound) located within the Bluemull and Colgrave Sounds SPA boundary or within the 1km buffer. Therefore, management costs may be incurred under the assumption that minor ports/harbours will undertake development every 10 years (starting in 2025) within the assessment period (2015-2034). However, one of these minor ports/harbours (Oddsta) overlap with existing SPAs for which no costs impacts are anticipated in this assessment.

There are no open disposal sites within the Bluemull and Colgrave Sounds SPA boundary (or 1km buffer).

Economic Costs on the Activity of Classification of the Site as an SPA			
	Lower Estimate	Intermediate Estimate	Upper Estimate
Assumptions for cost impacts	<ul style="list-style-type: none"> Additional assessment of new port/harbour developments in or adjacent to SPA to support licence applications. 	<ul style="list-style-type: none"> Additional assessment of new port/harbour developments in or adjacent to SPA to support licence applications. 	<ul style="list-style-type: none"> Additional assessment of new port/harbour developments in or adjacent to SPA to support licence applications.
Description of one-off costs	<ul style="list-style-type: none"> Additional assessment of new port/harbour developments – £7.1k per application. Assessment estimated for six minor ports (Belmont, Burravoe, Cullivoe, Gutcher, Mid Yell, Uyeasound) to be submitted in 2025. 	<ul style="list-style-type: none"> Additional assessment of new port/harbour developments – £7.1k per application. Assessment estimated for six minor ports (Belmont, Burravoe, Cullivoe, Gutcher, Mid Yell, Uyeasound) to be submitted in 2025. 	<ul style="list-style-type: none"> Additional assessment of new port/harbour developments – £7.1k per application. Assessment estimated for six minor ports (Belmont, Burravoe, Cullivoe, Gutcher, Mid Yell, Uyeasound) to be submitted in 2025.
Description of recurring costs	<ul style="list-style-type: none"> None. 	<ul style="list-style-type: none"> None. 	<ul style="list-style-type: none"> None.

Description of non-quantified costs	▪ Costs of project delays during consenting; potential impact on investment opportunities.	▪ Costs of project delays during consenting; potential impact on investment opportunities.	▪ Costs of project delays during consenting; potential impact on investment opportunities.
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Quantified Costs on the Activity of Classification of the Site as an SPA (£Million)

Total costs (2015–2034)	0.043	0.043	0.043
Average annual costs	0.002	0.002	0.002
Present value of total costs (2015–2034)	0.030	0.030	0.030

It should be noted that additional cost impacts could also arise as a result of consenting delays. The cost impacts and uncertainty associated with SPA classification may impact on potential investment opportunities.

Public Sector:

The decision to classify the Bluemull and Colgrave Sounds site as a SPA, would result in costs being incurred by the public sector in the following areas:

- Preparation of Marine Management Schemes
- Preparation of Statutory Instruments
- Development of voluntary instruments
- Site monitoring
- Compliance and enforcement
- Promotion of public understanding
- Regulatory and advisory costs associated with licensing decisions

Some of these costs will accrue at the national level and as such have not been disaggregated to site level.

Site-specific Public Sector Costs (£Million, 2015-2034)

	Lower Estimate	Intermediate Estimate	Upper Estimate
Preparation of Marine Management Schemes	0.000	0.000	0.000
Preparation of Statutory Instruments	0.000	0.004	0.004

Development of voluntary measures	0.000	0.000	0.000
Site monitoring	0.000	0.000	0.000
Regulatory and advisory costs associated with licensing decisions	0.015	0.015	0.015
Total Quantified Public Sector Costs	0.015	0.019	0.019

Total Costs

Total quantified costs are presented in present value terms.

Total Present Value of Quantified Costs (£Million, 2015-2034)			
Sector	Lower Estimate	Intermediate Estimate	Upper Estimate
Aquaculture (Finfish)	0.076	0.076	0.138
Aquaculture (Shellfish)	0.031	0.031	0.031
Energy generation	0.012	0.094	0.094
Ports and harbours	0.030	0.030	0.030
Public Sector	0.015	0.019	0.019
Total Present Value of Costs	0.164	0.250	0.312

Total Non-Quantified Costs			
Scenario	Low	Intermediate	Upper
Sector/Group			
Aquaculture (Finfish)	▪ Cost of uncertainty and delays in planning applications.	▪ Cost of uncertainty and delays in planning applications.	▪ Cost of uncertainty and delays in planning applications.
Aquaculture (Shellfish)	▪ Cost of uncertainty and delays in planning applications.	▪ Cost of uncertainty and delays in planning applications.	▪ Cost of uncertainty and delays in planning applications.
Energy generation	▪ Costs of project delays during	▪ Costs of project delays during	▪ Costs of project delays during

	consenting; potential impact on investment opportunities.	consenting; potential impact on investment opportunities.	consenting; potential impact on investment opportunities.
Ports and harbours	▪ Costs of project delays during consenting; potential impact on investment opportunities.	▪ Costs of project delays during consenting; potential impact on investment opportunities.	▪ Costs of project delays during consenting; potential impact on investment opportunities.

Scottish Firms Impact Test

This section is informed by evidence gathered during the consultation phase.

Businesses affected include some small and micro-sized firms. Additional costs imposed by the classification of the site have the potential to fall on small businesses.

- **Competition Assessment**

Classification of the proposed site as a SPA may affect marine activities where businesses operate within a given spatial area or require a spatial licence for new or amended operations.

Competition Filter Questions

Will the proposal directly limit the number or range of suppliers? e.g. will it award exclusive rights to a supplier or create closed procurement or licensing programmes?

No. It is unlikely that classification of the site as a SPA will directly limit the number or range of suppliers.

Will the proposal indirectly limit the number or range of suppliers? e.g. will it raise costs to smaller entrants relative to larger existing suppliers?

Limited / No Impact. Classification of the site as a SPA could affect the spatial location of commercial fisheries activity and may restrict the output capacity of this sector. However, restrictions on fishing locations may well be negated by displacement i.e. vessels fishing elsewhere. It is not expected that the distribution of additional costs will be skewed towards smaller entrants relative to larger existing suppliers.

Classification could affect the preparation of applications, location of marine developments and activities, or requirements for marine developments which would apply to any developer of an affected licensed activity when preparing and submitting an application. Additional costs will potentially be incurred by

developers submitting new licence applications, but they will apply to both new entrants and to incumbents looking to expand or alter their operations.

Will the proposal limit the ability of suppliers to compete? e.g. will it reduce the channels suppliers can use or geographic area they can operate in?

No. Classification of the site will not directly affect firms' route to market or the geographical markets they can sell into.

Will the proposal reduce suppliers' incentives to compete vigorously? e.g. will it encourage or enable the exchange of information on prices, costs, sales or outputs between suppliers?

No. Classification of the site is not expected to reduce suppliers' incentives to compete vigorously.

Test run of business forms

It is not envisaged that classification of the site will result in the creation of new forms for businesses to deal with, or result in amendments of existing forms.

Legal Aid Impact Test

It is not expected that the SPA will have any impact on the current level of use that an individual makes to access justice through legal aid or on the possible expenditure from the legal aid fund as any legal/authorisation decision impacted by the SPA will largely affect businesses rather than individuals.

Enforcement, sanctions and monitoring

The relevant competent authorities for each activity / industry have responsibility for compliance, monitoring and enforcement of the requirement to protect the site. This must be done in accordance with Article 6 of the EU Habitats Directive.

Implementation and delivery plan

After classification of the site the relevant competent authorities must adhere to the legislative requirements so that adequate protection of the site occurs. Marine Scotland will be responsible for considering whether fisheries management measures are required.

Summary and recommendation

Option 2: Classify site as a Special Protection Area – is the preferred option.

The extent and quality of habitat and available food around Scotland's coast supports huge numbers of different species of seabirds. Few countries can match this and we have an international responsibility to protect what we have around Scotland. Therefore the appropriate action is to protect and maintain Scotland's

seabird and water bird populations and meet the requirements of the EU Birds Directive.

Declaration and publication

I have read the Business and Regulatory Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs. I am satisfied that business impact has been assessed with the support of businesses in Scotland.

Signed:



Date:

03 December 2020

Mairi Gougeon, Minister for Rural Affairs and the Natural Environment

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Appendix A - Ecosystem Services Benefits, Bluemull and Colgrave Sounds SPA

Summary of Ecosystem Services Benefits arising from Classification of the Site as an SPA								
Services	Relevance to Site	Baseline Level	Estimated Impacts of Classification			Value Weighting	Scale of Benefits	Confidence
			Lower	Intermediate	Upper			
Fish for human consumption	Low, contributes to the food web	Stocks not at MSY	Nil	Nil	Minimal - Low, small increase in fish stocks possible	Low	Minimal	Moderate
Fish for non-human consumption		Stocks reduced from potential maximum						
Gas and climate regulation	Minimal, in coastal areas	Minimal	Nil			Low	Nil	High
Non-use value of natural environment	Moderate, bird species, and contribution of the site to MPA network, have non-use value.	Non-use value of the site may decline	Minimal	Low, maintain features of site	Low, protection of features of site from decline, and/or allowing some recovery, but main habitats within site already protected	Low, single feature, contributes to maintaining marine biodiversity	Low	Moderate, response of feature to management measures, and value to society, uncertain
Recreation	Moderate, wildlife tourism and recreation at site	Recreation value of the site may decline	Minimal, protection of features of site		Minimal - low, protection of site contributes to recreation, possibly allowing some recovery	Moderate, tourism supports jobs, but substitutes are available.	Minimal - Low	Moderate, significance of change from management measures uncertain.

Summary of Ecosystem Services Benefits arising from Classification of the Site as an SPA								
Services	Relevance to Site	Baseline Level	Estimated Impacts of Classification			Value Weighting	Scale of Benefits	Confidence
			Lower	Intermediate	Upper			
Research and Education	Moderate, feature has research value, but there are substitutes	Value of site may decline	Minimal, protection of features of site		Low, protection maintains future research opportunities. Classification may play role in communicating management needs.	Low	Low	Moderate, extent to which research uses site in future uncertain.
Total value of changes in ecosystem services			Minimal for lower scenario, Low for intermediate and upper scenarios				Low	Moderate



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