



Marine Scotland

Coll and Tiree Special Protection Area (SPA) Business and Regulatory Impact Assessment

December 2020

Partial Business and Regulatory Impact Assessment

Title of Proposal

Coll and Tiree 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 Coll and Tiree Special Protection Area largely surrounds the closely adjacent islands of Coll and Tiree off the coast of Argyll.

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

- **Great northern diver** (*Gavia immer*)

It also supports a migratory population of European importance of the following species:

- **Common eider** (*Somateria mollissima*)

Coll and Tiree lie relatively close to the mainland coast of Argyll and the island of Mull (less than 14 kilometres (km) away) in a north-east/south-west direction. Parts of the coastline of Coll are rocky interspersed with extensive sandy bays and soft shores whilst Tiree has an even greater extent of sandy beaches and machair (Barne *et al.* 1997). Offshore of both islands the sediments are consequently a mixture of mud, sand and gravel. The waters immediately offshore are shallow, generally less than 20 metres (m) in depth, with depth only increasing steadily to 120m some distance off the western shores, forming excellent habitat for over wintering waterfowl.

A wide variety of pelagic and demersal fish occur in the marine habitats around the islands as well as many invertebrates including both crustaceans and bivalve molluscs, all of which form potential prey for marine waterbirds.

Great northern divers feed on a wide variety of fish as well as opportunistically on crustaceans. They are capable of diving to considerable depths with figures of 55m recorded in pursuit of their prey underwater (Ropert-Coudert *et al* 2016). The fish species taken will be influenced by what is locally most readily available, but can include haddock *Melanogrammus aeglefinus*, cod *Gadus morhua*, herring *Clupea harengus*, sprats *Sprattus sprattus* and gurnard *Eutrigla gurnardus* along with smaller species such as sand-eels *Ammodytidae*, pipefish *Syngathidae*, gobies *Gobiidae*, flatfish *Pleuronectidae* and butterfish *Pholis gunnellus*.

Common eider feed almost exclusively on molluscs and small crustaceans, diving from the surface to pluck their prey from the seabed.

Eider more typically feed at depths not exceeding 15m.

Great northern divers are long distance migrants, moving annually between northern breeding grounds and more southerly wintering grounds such as those in the Coll and Tiree SPA. Eider are resident in this area throughout the year.

- **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.

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 etec¹. 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 the proposed Coll and Tiree 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) all 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 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

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

² Biodiversity Action Plan

is not sufficient protection in place to ensure that the marine environment is properly protected and complex ecosystems safeguarded.

The SPAs will add to the 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

Options

Option 1: Do nothing

Option 1 is the 'Do nothing' option; this is the baseline scenario. Under this option, there is no change to the management measures in place at the at the proposed Coll and Tiree site. Accordingly, no additional management measures would be required.

Option 2: Classify site as a Special Protection Area

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

Option 2 involves the formal classification of the Coll and Tiree 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.

- **Sectors and groups affected**

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

- Commercial fisheries (GVA)
- Military
- Ports and harbours
- Telecom cables
- 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 Wild 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 deeps 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.

⁴ Developing the Evidence Base for Impact Assessments, ABPMer

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.

- **Costs**

Option 1: Do nothing

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

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

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.

Commercial Fisheries:

According to VMS-based estimates and ICES rectangle landings statistics, dredges, nephrops trawls, whitefish trawls and other gears (over-15m) and pots, nephrops trawls, hand fishing, dredges, and other gears (under-15m vessels) operate within the Coll and Tiree SPA. The value of catches from the Coll and Tiree area was £216,000 (over-15m vessels) and £525,000 (under-15m vessels, indicated from ICES rectangle landings data) (annual average for 2009–2013, 2015 prices). Landings from the over-15m vessels are predominantly into Oban (43% by value), Mallaig (41%) and xxNorthbay (5%). For the over-15m fleet, a total of 215 UK vessels operated in the Coll and Tiree area in the period 2009-2013, comprising mainly nephrops trawls (150), dredges (49) and whitefish trawls (16). Dredges operate mainly to the south of the islands of Coll and Tiree and nephrops trawls operate mainly in the north part of the SPA.

Management measures for the scenarios have been developed based on the sensitivity and vulnerability of the features to the pressures caused by different gear types and SNH recommendations.

Scaled-up ScotMap data (under-15m vessels) indicate that the annual average earnings from the Coll and Tiree SPA was £1,773,000 for the period 2007–2011, with pots contributing the highest value. The coverage for ScotMap interviews in the region was 69% (total value of reported landings from the Fisheries Information Network for those vessels included in the ScotMap value analysis expressed as a percentage of the total reported landings for all vessels <15m); the spatial representation of the value of fishing is more robust in regions where coverage is higher.

Non-UK VMS ping data indicate that 2 non-UK vessels were active in the Coll and Tiree area in 2011 to 2013, from Ireland. Based on the EU vessel register, it appears that one of these vessels fish with mobile bottom gear and therefore would be impacted by the management measures assessed under the intermediate and upper scenarios.

Economic Costs on the Activity of Classification of the Site as a SPA			
	Lower Estimate	Intermediate Estimate	Upper Estimate
Assumptions for cost impacts	<ul style="list-style-type: none"> ▪ No change to existing 	<ul style="list-style-type: none"> ▪ 10% reduction in mobile bottom gear effort across the site ▪ 10% reduction in pelagic gear effort across the site 	<ul style="list-style-type: none"> ▪ 30% reduction in mobile bottom gear effort across the site ▪ 25% reduction in pelagic gear effort across the site
Description of one-off costs	<ul style="list-style-type: none"> ▪ None 	<ul style="list-style-type: none"> ▪ None 	<ul style="list-style-type: none"> ▪ None
Description of recurring costs	<ul style="list-style-type: none"> ▪ None. 	<ul style="list-style-type: none"> ▪ Loss of >15m fishing income (annual values, £ k): <ul style="list-style-type: none"> - dredges (10.6); - nephrops trawls (8.2); - whitefish trawls (1.8); and - other mobile bottom gears (0.3). ▪ Loss of <15m fishing income (annual values, £ k): <ul style="list-style-type: none"> - nephrops trawls (11.5); - dredges (1.2); and - all other trawls (0.2). 	<ul style="list-style-type: none"> ▪ Loss of >15m fishing income (annual values, £ k): <ul style="list-style-type: none"> - dredges (31.7); - nephrops trawls (24.5); - whitefish trawls (5.4); and - other mobile bottom gears (0.8). ▪ Loss of <15m fishing income (annual values, £ k): <ul style="list-style-type: none"> - nephrops trawls (11.5); - dredges (1.2); and - all other trawls (0.6).
Description of non-quantified costs	<ul style="list-style-type: none"> ▪ None. 	<ul style="list-style-type: none"> ▪ Loss of value of catches from non-UK vessels using mobile bottom contact gears in the SPA 	<ul style="list-style-type: none"> ▪ Loss of value of catches from non-UK vessels using mobile bottom contact gears in the SPA

		(Ireland (1 vessel)); and ▪ Displacement impacts (additional fishing pressure on other areas, potential conflict with other vessels, additional steaming time/fuel costs, gear development and adaptation costs, and additional quota costs).	(Ireland (1 vessel)); and ▪ Displacement impacts (additional fishing pressure on other areas, potential conflict with other vessels, additional steaming time/fuel costs, gear development and adaptation costs, and additional quota costs).
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Commercial fisheries costs are presented below in terms of Gross Value Added (GVA). GVA more accurately reflects the wider value of the sector to the local area and economy beyond the market value of the landed catch. Stating costs purely in terms of landed value would overstate the true economic cost of not fishing. If fishermen are prevented from catching fish they forgo the landed value of those fish but subsequently forgo the payment of intermediate costs such as fuel (it is assumed that no fishing activity is displaced). Costs are also presented in terms of the reduction in full-time equivalent (FTE) employment. It is also possible that effort not continuing in the area could be transferred to other locations resulting in no or reduced loss of income.

Quantified Costs on the Activity of Classification of the Site as a SPA (£Million)			
Total change in GVA (2015–2034)	0.000	0.288	0.864
Average annual change to GVA	0.000	0.014	0.043
Present value of total change in GVA (2015–2034)	0.000	0.212	0.636
Direct and Indirect reduction in Employment	0.0 jobs	0.5 jobs	1.5 jobs

These estimates represent a worst-case scenario, based on the assumption of zero displacement of fishing activity. In reality, it is likely that some commercial fishing activity will be displaced to other grounds and hence it is likely that the impacts on employment are likely to be lower than those estimated. A recent

Marine Scotland study on fisheries displacement in relation to the 2015 Nature Conservation MPA classifications⁸ indicated that a significant proportion of fishing effort affected by the classifications was likely to relocate elsewhere. In reality, vessels are likely to react to any management measures in place in order to maintain profitability (i.e. by changing target species/gear type) but this could add to their costs (i.e. the extra fuel cost associated with fishing elsewhere). This uncertainty surrounding the change in behaviour is the reasoning behind not attempting to quantify this cost impact. Other non-quantified costs include: potential conflict with other fishing vessels, environmental consequences of targeting new areas, longer steaming times and increased fuel costs, changes in costs and earnings, gear development and adaptation costs, and additional quota costs.

Military

5 military practice areas (Mackenzie (X5626), Tiree (X5634), Staffa (X5627), Hawes (X5635) and Eigg (X5636); All firing danger areas) overlap with the Coll and Tiree SPA.

The features which overlap with military activities have not been described as vulnerable to MoD activities in this SPA. It is assumed that management relating to MoD activity will be coordinated through the MoD's Maritime Environmental Sustainability Appraisal Tool (MESAT) which the MoD uses to assist in meeting its environmental obligations. This process will include operational guidance to reduce significant impacts of military activities on SPAs. It is assumed that the MoD will incur additional costs in adjusting MESAT and other MoD environmental assessment tools in order to consider whether its activities will impact on the conservation objectives of SPAs and also incur additional costs in adjusting electronic charts to consider SPAs. However, these costs will be incurred at national level and hence no site-specific cost assessments have been made.

Ports and Harbours

There are four minor ports/harbours (Gott Bay, Hynish, Milton and Scarinish) located within the Coll and Tiree 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 (Milton) overlaps with existing SPAs for which no costs impacts are anticipated in this assessment.

There are no open disposal sites within the Coll and Tiree SPA boundary (or 1km buffer).

It should be noted that additional cost impacts could arise as a result of consenting delays. The cost impacts and uncertainty associated with SPA classification may affect investor confidence.

⁸ <http://www.gov.scot/Topics/marine/marine-environment/mpanetwork/Displacement>

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 three minor ports (Gott Bay, Hynish, Scarinish) 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 three minor ports (Gott Bay, Hynish, Scarinish) 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 three minor ports (Gott Bay, Hynish, Scarinish) 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	<ul style="list-style-type: none"> Costs of project delays during consenting; potential impact on investment opportunities. 	<ul style="list-style-type: none"> Costs of project delays during consenting; potential impact on investment opportunities. 	<ul style="list-style-type: none"> 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)	0.021	0.021	0.021
Average annual costs	0.001	0.001	0.001
Present value of total costs (2015–2034)	0.015	0.015	0.015

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.

Telecom Cables

There is one telecom cable (Calgary to Scarnish (BT-HIE Segment 1.17)) located within the Coll and Tiree SPA boundary. Therefore, management measures associated with the replacement of telecom cables (additional assessment) during the assessment period could lead to cost impacts.

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 to inform marine licensing for telecom cable replacement. 	<ul style="list-style-type: none"> Additional assessment to inform marine licensing for telecom cable replacement. 	<ul style="list-style-type: none"> Additional assessment to inform marine licensing for telecom cable replacement.
Description of one-off costs	<ul style="list-style-type: none"> Additional assessment to inform marine licensing – £2.6k per licence application. Applications estimated for one telecom cable (Calgary to Scarnish) to be submitted in 2025. 	<ul style="list-style-type: none"> Additional assessment to inform marine licensing – £2.6k per licence application. Applications estimated for one telecom cable (Calgary to Scarnish) to be submitted in 2025. 	<ul style="list-style-type: none"> Additional assessment to inform marine licensing – £2.6k per licence application. Applications estimated for one telecom cable (Calgary to Scarnish) 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	<ul style="list-style-type: none"> Costs of project delays during consenting; potential impact on investment opportunities. 	<ul style="list-style-type: none"> Costs of project delays during consenting; potential impact on investment opportunities. 	<ul style="list-style-type: none"> 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 (2014–2033)	0.003	0.003	0.003
Average annual costs	<0.001	<0.001	<0.001
Present value of total costs (2014–2033)	0.002	0.002	0.002

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 Coll and Tiree site as an 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	0.088	0.088	0.088
Regulatory and advisory costs associated with licensing decisions	0.002	0.002	0.002
Total Quantified Public Sector Costs	0.090	0.094	0.094

Total Costs

Total quantified costs are presented in present value terms. Commercial fisheries costs are presented in terms of GVA.

Total Present Value of Quantified Costs (£Million, 2015-2034)			
Sector	Lower Estimate	Intermediate Estimate	Upper Estimate
Military	<i>See National Costs</i>	<i>See National Costs</i>	<i>See National Costs</i>
Ports and harbours	0.015	0.015	0.015
Telecom cables	0.002	0.002	0.002
Public Sector	0.090	0.094	0.094
Total Present Value of Costs	0.107	0.111	0.111

GVA Impacts (£million 2015-2034)			
Commercial Fisheries	0.000	0.212	0.636

Total Non-Quantified Costs			
Scenario	Low	Intermediate	Upper
Sector/Group			
Commercial fisheries	<ul style="list-style-type: none"> ▪ None 	<ul style="list-style-type: none"> ▪ Loss of value of catches from non-UK vessels and ▪ Displacement impacts 	<ul style="list-style-type: none"> ▪ Loss of value of catches from non-UK vessels and ▪ Displacement impacts
Ports and harbours	<ul style="list-style-type: none"> ▪ Costs of project delays during consenting; potential impact on investment opportunities. 	<ul style="list-style-type: none"> ▪ Costs of project delays during consenting; potential impact on investment opportunities. 	<ul style="list-style-type: none"> ▪ Costs of project delays during consenting; potential impact on investment opportunities.
Telecom cables	<ul style="list-style-type: none"> ▪ Costs of project delays during consenting; potential impact on investment opportunities. 	<ul style="list-style-type: none"> ▪ Costs of project delays during consenting; potential impact on investment opportunities. 	<ul style="list-style-type: none"> ▪ 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 site as an 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 an 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 proposed 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 proposed site is not expected to reduce suppliers' incentives to compete vigorously.

Test run of business forms

It is not envisaged that classification of the proposed 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 has 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:

A handwritten signature in black ink, appearing to read 'Mairi Gougeon', written in a cursive style.

Date:

3 December 2020

Mairi Gougeon, Minister for Rural Affairs and the Natural Environment

Scottish Government Contact point:

marine_conservation@gov.scot

Appendix A - Ecosystem Services Benefits, Coll and Tیره

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	Moderate, benthic habitat contributes to the food web	Stocks not at MSY	Minimal	Low, recovery of fish stocks possible in medium to long term from protection of benthic features (e.g. shellfish beds).		Low	Low	Moderate, ecosystem response is uncertain
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	Moderate, protection of features of site from decline, and/or allowing some recovery	Moderate, contributes to maintaining marine biodiversity in areas where significant non-use values identified by Kenter <i>et al.</i> (2013), e.g. Skye to Mull MPA.	Low - Moderate	Moderate, extent of features, responses to management measures, and value to society all uncertain
Recreation	Moderate, features have recreational value, but there are substitutes.	Value of site may decline	Minimal, protection of features of site	Low - Moderate, protection of features of site that contribute to recreation, possibly allowing some recovery		Low, for individual features. Moderate for opportunity to understand response of range of features to management.	Low	Low – Moderate, extent to which research uses site in future 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, features have research value, but there are substitutes	Value of site may decline	Minimal, protection of features of site	Low, protection of key characteristics of site from decline, improving 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 - low for lower and intermediate scenarios, Minimal - moderate for upper scenario.				Low	Moderate



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