



ORKNEY
ISLANDS COUNCIL

Item: 4

Development and Infrastructure Committee: 9 September 2025.
Draft updated Sectoral Marine Plan for Offshore Wind Energy:
Consultation.
Report by Director of Infrastructure and Organisational Development.

1. Overview

- 1.1. The Scottish Government is consulting on a draft updated Sectoral Marine Plan for Offshore Wind Energy (SMP-OWE) which provides an updated spatial planning framework for the ScotWind and Innovation and Targeted Oil and Gas (INTOG) leasing rounds.
- 1.2. The Marine Directorate of the Scottish Government deposited the updated SMP-OWE for public consultation on 30 May 2025, with responses required by 22 August 2025.
- 1.3. The updated SMP-OWE refines the existing SMP-OWE Option Areas (OAs) to reflect the outcome of ScotWind leasing round, includes OAs for sites from the INTOG leasing round and includes capacity for test and demonstration (T&D) projects.
- 1.4. The Development and Marine Planning Team co-ordinated cross service input, including from Economic Development and Marine Services, and engaged with European Marine Energy Centre (EMEC), to inform preparation of the consultation response.
- 1.5. A Council response to the consultation was thereafter submitted to the Scottish Government on 22 August 2025, and is attached as Appendix 1 to this report, with a summary of the key issues identified in this response attached as Appendix 2.
- 1.6. Due to the timescale constraints to respond to the consultation, the Chief Executive authorised submission of the consultation response referred to above, subject to the proviso that the Development and Infrastructure Committee would have an opportunity to review the response and make any amendment, if required.

2. Recommendations

- 2.1. It is recommended that members of the Committee:
 - i. Approve the response to the updated Sectoral Marine Plan for Offshore Wind Energy (SMP-OWE) consultation, attached as Appendix 1 to this report,

submitted on behalf of the Council to the Scottish Government by the deadline of 22 August 2025.

3. Consultation

- 3.1. The Scottish Government adopted the existing Sectoral Marine Plan for Offshore Wind Energy (SMP-OWE) in 2020 which identified Option Areas (OAs) for offshore wind development. These OAs established spatial allocations for the ScotWind offshore wind leasing round in 2022. In 2023, the Innovation and Targeted Oil and Gas (INTOG) offshore wind leasing round was completed. The updated SMP-OWE builds on the existing SMP-OWE by refining the existing OAs to reflect the outcome of the ScotWind leasing round, includes OAs for sites from the INTOG leasing round and includes new capacity for test and demonstration (T&D) projects.
- 3.2. The updated SMP-OWE was deposited for consultation on 30 May 2025 and the consultation closed on 22 August 2025.
- 3.3. The updated plan is supported by the following plan level environmental, socio-economic and island communities impact assessments, and locational guidance:
- Strategic Environmental Assessment: Environmental Report (SEA);
 - Social and Economic Impact Assessment (SEIA);
 - Habitats Regulation Appraisal (Appropriate Assessment Information Report);
 - Nature Conservation Marine Protected Area Assessment (NCMPA);
 - Sustainability Appraisal Report (SA);
 - partial Business Regulatory Impact Assessment (BRIA);
 - partial Island Communities Impact Assessment (ICIA); and
 - Regional Locational Guidance (RLG).
- 3.4. An Officer response to the consultation was submitted to the Scottish Government on 22 August 2025, and is attached as Appendix 1 to this report, with a summary of the key issues identified in this response attached as Appendix 2.

For Further Information please contact:

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Implications of Report

1. **Financial:** There are no direct financial implications resulting from the recommendations in this report, with the preparation of the Council Officer response to the updated SMP-OWE being resourced from within the existing Planning Service budget.
2. **Legal :** Marine Planning in Scotland's waters is governed by two Acts – the UK Marine and Coastal Access Act 2009 and the Marine (Scotland) Act 2010 often referred to as the “Marine Acts”. The Marine Acts set out the requirement for the development of the national marine plan for the Scottish marine area (0-200 nautical miles). By responding to the consultation, the Council is ensuring that its voice is heard with regard to the OAs identified in the Update SMP-OWE, which are considered the preferred strategic locations for the sustainable development of offshore wind in Scotland's National Marine Plan.
3. **Corporate Governance:** In terms of the Scheme of Delegation to Officers, the submission of consultation responses, on behalf of the Council, where these are in line with agreed Council policy and/or service plan priorities, is a general delegation which can be exercised by all Chief Officers.

When this consultation was submitted to the Scottish Government, officers advised that it would be considered by the relevant Committee on 9 September 2025 and, while it was not expected that the consultation response would be amended, officers wished to reserve the right to submit amendments, if required and appropriate.
4. **Human Resources:** None directly related to the recommendations in this report.
5. **Equalities:** Not applicable.
6. **Island Communities Impact:** Scottish Ministers will need to take account of their duties under the Islands (Scotland) Act 2018 when making their decision on the adoption of the updated SMP-OWE. A full Island Communities Impact Assessment will require be completed by the Marine Directorate of the Scottish Government and will inform the preparation of the final updated SMP-OWE.
7. **Links to Council Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
 - ☒ Growing our economy.
 - ☒ Strengthening our Communities.
 - ☒ Developing our Infrastructure.
 - ☐ Transforming our Council.
8. **Links to Local Outcomes Improvement Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
 - ☐ Cost of Living.

- ☒ Sustainable Development.
- ☐ Local Equality.
- ☐ Improving Population Health.

- 9. Environmental and Climate Risk:** A Strategic Environmental Assessment (SEA) Environmental Report has been prepared by the Marine Directorate of the Scottish Government and deposited for consultation alongside the updated SMP-OWE. The SEA will assess any significant environmental effects associated with updated SMP-OWE including climate benefits, risks and impacts.
- 10. Risk:** No significant risks have been identified.
- 11. Procurement:** None directly related to the recommendations in this report.
- 12. Health and Safety:** None directly related to the recommendations in this report.
- 13. Property and Assets:** None directly related to the recommendations in this report.
- 14. Information Technology:** None directly related to the recommendations in this report.
- 15. Cost of Living:** None directly related to the recommendations in this report.

List of Background Papers

Publication – [Offshore wind energy - draft updated Sectoral Marine Plan 2025: consultation - gov.scot](#)

Appendices

Appendix 1: Council Officer response to the draft updated Sectoral Marine Plan for Offshore Wind Energy consultation.

Appendix 2: Summary of the key issues identified in the Council Officer response to the draft updated Sectoral Marine Plan for Offshore Wind Energy consultation.

Consultation on the draft Updated Sectoral Marine Plan for Offshore Wind Energy



Respondent Information Form

Please Note this form **must** be completed and returned with your response.

To find out how we handle your personal data, please see our privacy policy:

<https://www.gov.scot/privacy/>

What is your name?

Hayley Green

Are you responding as an individual or an organisation?

Only choose “organisation” if you are submitting a response on behalf of an organisation rather than your own individual views.

- ☐ Individual
- ☒ Organisation

What is your organisation?

Orkney Islands Council

If responding on behalf of an organisation, please enter the organisation’s name here. If you are responding as an individual, you can leave this blank.

Further information about your organisation’s response

Organisations may use this space to provide additional context for their response. This could be information about, for example:

- Any research your organisation undertook to inform the response
- Any engagement with your members or audience undertaken to inform the response

This is optional.

This is an OIC officer response to this consultation. This response is being submitted to Elected Members at a meeting to be held on 9 September 2025 – it is not expected that the consultation response will be amended, however we would wish to reserve the right to submit amendments, if required and appropriate.

Do you consent to Scottish Government contacting you again in relation to this consultation exercise? (Required)

Yes

Email Address

If you would like to be contacted again in future about this consultation please enter your email address here. You will also need to give permission to be contacted in the question above.

Your email address will never be published.

James.green@orkney.gov.uk

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- ☐ Publish response with name
- ☒ Publish response only (without name)
- ☐ Do not publish response

Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

I confirm that I have read the privacy policy and consent to the data I provide being used as set out in the policy. (Required) To find out how we handle your personal data, please see our privacy policy: <https://www.gov.scot/privacy/>

☒ I consent

Questionnaire

Question 1

Do you agree that up to 1GW of Test and Demonstration projects should be included within the scope of the updated Plan? Please provide any comments you have on their inclusion or proposed parameters.

Yes.

OIC supports the inclusion of test and demonstration projects in the updated Sectoral Marine Plan for Offshore Wind Energy (SMP-OWE).

Our Council Plan recognises that much of Orkney's economic growth will come from our flourishing renewables sector, and many of tomorrow's jobs will be in the green economy and the blue economy.

Underpinning all of our plans is the Council's commitment to combat climate change, having joined councils around the world in declaring a climate emergency in 2019. The opportunity to grow our green and blue economies with land and sea-based renewable energy projects will give Orkney a head start in the race to net zero, reducing energy use whilst simultaneously boosting employment.

Our Council Delivery Plan highlights the need to maximise support for innovation, work with partners (e.g. EMEC, International Centre of Island Technology Heriot Watt University Orkney) in the renewable research and innovation community to enable Orkney to tap into the opportunity presented by renewable energy developments, particularly offshore wind, by supporting development of the local supply chain including research and development and innovation activity.

The successful delivery of the Scotwind floating offshore wind projects will depend on developers' ability to test and demonstrate the technology in metocean conditions that are representative of the locations into which they will be deployed. Floating platforms, turbines, cables, mooring systems and other components will all need to be proven before they can be deployed confidently at scale.

Since early 2020, European Marine Energy Centre (EMEC) has been investigating and examining options for a national floating wind test centre located to the west of Orkney. This proposal aims to create the capability to test floating platforms, turbines, cables, mooring systems and other components in metocean conditions that meet the needs of UK floating offshore wind projects anticipated for ScotWind, Innovation and Targeted Oil & Gas (INTOG) and the Celtic Sea leasing rounds.

Page 29 of the Updated Plan states:

No more than a total of 1 GW of installed capacity for T&D projects should be leased. This capacity should be equally available in each of the five regions outlined in this draft updated Plan (West, North, Shetland, North East, and East), with no more than 200 MW leased per region.

Any project will be subject to CES leasing processes. Sites are likely to be relatively smaller (no larger than 100 MW of generation capacity) and they should not be located in a site already covered by an existing CES Seabed Agreement or in a Marine Protected Area (MPA). The rationale (purpose, aims and objectives) with the

purpose of any T&D project will need to be clear. Potential rationales could include research on components or whole turbine technology in an 'at sea' environment, testing of technology types, or certification of offshore wind infrastructure. However, this list is for guidance only and not intended to be exhaustive or restrictive. The site identified should be within a single contiguous boundary and be of a scale proportionate with the proposed activity.

Given Orkney's track record in test and demonstration for marine renewables, local expertise and supply chain, and representative metocean conditions for Scotwind and INTOG sites, Orkney is considered an ideal location for an offshore wind test and demonstration site. This will require further analysis of potential impact on existing environmental, social, economic and infrastructure constraints.

As a general comment, the term 'commercial' when referring to projects over 100MW we believe is misleading and assumes that smaller developments are considered 'non-commercial' e.g. Innovation projects under INTOG. We would prefer to see reference to large, medium or small (community) scale. The market will ultimately determine the viability of any project. Whilst economies of scale do play a part in determining that viability, so do grid connection charges, grid use of system charges, the market price of electricity, the availability of revenue support mechanisms, the price of carbon, developments in technology etc.

Question 2

Do you have any comments on how the benefits of offshore wind development could be maximised? If referring to development within a certain region, please specify.

A just transition to net zero requires that offshore wind developments should deliver transformative social and economic benefits for host island communities, delivering investment in the required island infrastructure and services, creating jobs, supporting local skills development and local supply chains. Orkney Islands Council (OIC) aims to work in partnership with the Scottish Government, developers and agencies to achieve our shared ambitions to maximise the benefits to Scotland from offshore wind and investment in the local infrastructure required to enable this. This will require significant upfront investment of Scotwind Crown Estate Scotland revenues in harbour infrastructure to enable project deployment and O&M to be delivered in Scotland.

To enable lasting benefits for Scotland's islands and coastal communities, workforces will need to be located within these communities, supported by the required infrastructure and services. Scotwind Crown Estate Scotland revenue should be passed to host island communities to enable them to prepare for and benefit from offshore wind activity.

OIC fully supports the introduction of mandatory community benefit payments for offshore wind developments and believes this could be instrumental in expediting the roll out of truly sustainable renewable energy across Scotland. Community benefit funds need to be proportionate to the scale of development/commercial revenues anticipated under Scotwind and need to be sufficient to address the infrastructure

and service requirements resulting for this scale of industrial change. Community benefit funds should be strategically targeted, alongside wider public and private sector investment, to avoid small scale and potentially tokenistic outcomes for affected communities.

As well as delivering major benefits, large scale offshore wind developments can have significant onshore impacts on adjacent island communities including on harbours, roads, housing markets, wider infrastructure, and community services and facilities. It is therefore important that these factors are assessed and appropriately mitigated, and that this mitigation is effectively secured via the consents for offshore wind farms and associated infrastructure. This should include the use of appropriate conditions, where appropriate, to ensure that developer proposed job creation, supply chain, skills development, housing provision and infrastructure investment strategies can be effectively secured, monitored and delivered. These mitigation measures need to be supported by developer investment.

OIC supports the sustainable development of offshore wind in Orkney and Scottish waters provided that benefits to our local communities are maximised, and an appropriate balance is struck between economic, social and environmental needs of local communities.

Offshore wind technology should play a key role in meeting the Scottish commitment to reach net zero emissions by 2045. That said, policy and financial support to other technologies including wave and tidal sector should also be a priority to benefit from the significant innovation and development in Scotland, particularly Orkney, and the abundant energy resources. These technologies offer an opportunity to create more balance in electricity supply and demand from intermittent generation.

OIC and the communities we serve have a significant interest in offshore wind development across Scottish Waters, particularly the Options Areas (OAs) within the North and North East Regions identified in the updated Sectoral Plan. Commercial scale offshore wind developments within these areas could have significant impacts (both positive and negative) on Orkney communities, the Orkney Islands Scottish Marine Region and the associated social, economic and environmental receptors/resources. These impacts could be better addressed if the Plan was strengthened to present a stronger directive policy basis to manage the balance of these positive and negative impacts through the Island Communities Impact Assessment.

It is recommended that National Marine Plan 2 should take the lead from NPF4 on policies to maximise socio-economic benefits from marine developments and activities, and policies to deliver community wealth building for island and coastal communities, particularly NPF4 Policy 11c and Policy 25. The Scottish Renewables *Maximising Net Socio-Economic Benefit of Renewable Energy Guidance and Reporting Framework Guidance for developers to comply with NPF4 Policy 11c*, is a good practice industry-led example of how socio-economic benefits from renewable energy developments can be maximised.

The Orkney Islands Regional Marine Plan – Consultation Draft includes policy to support and maximise sustainable social and economic benefits from marine development for Orkney communities (General Policy 4). Once the plan has been adopted in winter 2025/26, this policy will be supported by guidance prepare by OIC.

The Updated SMP-OWE should signpost to relevant regional marine plans to assist offshore wind developers.

The utilisation of harbour infrastructure, including sheltered anchorage for wet storage, in Orkney provides significant locational and operational benefits to offshore wind developers in the North of Scotland. Investment in Orkney's harbour infrastructure will be a critical component of a just transition to net zero for Orkney communities, ensuring that we can benefit from offshore wind development in Orkney and wider Scottish waters. Investment in Orkney's harbour infrastructure has a county wide positive effect as shown in the Orkney Harbours Masterplan Phase 1 document approved by the Council in April 2020. The projects listed in this document vary in size, but all will have a positive socio-economic effect on the County as a whole – at the same time as maintaining the environment of Orkney. This can be / is assisted by having a robust, effective SMP-OWE that allows practical but compliant port and harbour development.

OIC broadly supports the guidance principles set out in the Marine Directorate/Marine Scotland report *Defining 'Local Area' for assessing impact of offshore renewables and other marine developments*. Of particular relevance is Principle 3 (Epicentres) and the need for local areas in socio-economic impact assessments to include all the epicentres of impact e.g. construction and operation bases and ports. In practice, it is often the case that EIA Scoping Reports and applications for offshore wind farm consents do not include effective socio-economic impact assessments because the developer has not decided on a construction and operation base or port at the pre-consent stage. The magnitude of impact on a local community/economy will be greatly determined by the port choice for deployment, operations and maintenance, and decommissioning. If Orkney Harbours are selected for any of these development phases, the impacts on the Orkney's local economy could be significant both positive and adverse.

If the port locations are unknown at the consenting stage, then the EIA should still be required to undertake a proportionate level of appraisal of options based on reasonable scenarios. For example, if it is reasonably foreseeable that Orkney ports and supply chain companies etc could be used and/or have a material role during the construction, operation/maintenance and/or decommissioning phases of the proposed development, the assessment should include strategic consideration of potential effects on the Orkney economy, demographics, local housing market, labour market and local services and infrastructure e.g. changes in demand for housing and local services resulting from the proposed development.

It is impossible to appropriately mitigate adverse socio-economic impacts, and maximise benefits, without an accurate socio-economic assessment. It is therefore recommended that the Updated SMP-OWE should include plan level mitigation requiring that OA developers assess probable epicentres of impact even if the construction and operation port hasn't been chosen.

OIC envisages the following key mechanisms for island communities to benefit from offshore wind development:

- Developer commitments to contract operations and maintenance services from within adjacent island communities to ensure that those impacted by offshore wind

development realise the associated short and longer term socio-economic benefits through jobs and support of the local supply chain.

- Seabed net revenues from offshore wind developments within 12 nautical miles distributed to local authorities for the benefit of coastal communities.
- Community benefit funds set up for the benefit of coastal communities which the EIA identifies as potentially significantly impacted by offshore wind developments, akin to onshore wind projects.

The Council would welcome further engagement with the Scottish Government and developers to consider the mechanisms to maximise benefits to our local communities from offshore wind energy projects. Specifically, to discuss whether there is scope to establish a stronger policy basis and direction through NMP2 and the SMP-OWE which could support regulatory requirements at the consenting stage.

Question 3

Do you have any comments on how social impacts could be mitigated?

Social impacts from offshore wind energy developments on Orkney communities include, but are not limited to, impacts on:

- housing markets, house prices, housing availability and temporary accommodation.
- local infrastructure including ports, ferries and roads.
- public and wider services including schools, training, transport, social housing and social care.
- leisure activities, wellbeing, amenity and quality of life.
- fishing communities.
- coastal tourism reduction caused by visual impacts of offshore wind turbines.

Firstly, there needs to be a requirement for social impacts to be effectively assessed as part of development specific social and economic impact assessments. For offshore developments, often the assessment and mitigation of social impacts is inadequate. This needs to be addressed in Updated SMP-OWE, consenting process and associated guidance.

A good practice example of how social impacts can be assessed and mitigated is the West of Orkney Wind Farm consent proposal which included a commitment to prepare a Local Accommodation Strategy as part of the proposed programme of embedded mitigation. This strategy will address the requirement for temporary construction workers in Orkney for the proposed offshore wind farm. As a statutory consultee on the consent application, OIC recommended that the developer liaise

with OIC to develop a strategy that will minimise effects on the current already pressured housing system and include provisions for a long term housing legacy for Orkney's communities. It was recommended that a Local Accommodation Strategy for Orkney be secured by MD-LOT via the appropriate consent.

Question 4

Do you have any comments on how economic impacts could be mitigated?

Orkney has considerable harbour infrastructure available for use by the offshore wind industry and is investing further in it on the expectation that offshore wind will utilise the significant local assets available to them. This has been set out in Orkney's Harbours Masterplan and Offshore Energy Development Strategy. The risk associated with these investments is considerably higher if no measures are put in place against developers building abroad and ultimately bypassing the local economies most affected by their developments.

In addition to local procurement of operations and maintenance activities, investment in the local skills development pipeline would support the assurance of longer term economic benefits in the region.

Question 5

Do you have any comments on how environmental impacts could be mitigated?

The Orkney Islands Regional Marine Plan – Consultation Draft (OIRMP) was deposited for consultation in 2024 and is scheduled to be adopted by Scottish Ministers in winter 2025/26. This Plan contains policies to guide public authorities, including but not limited to, decision makers, consenting authorities, regulators, and planners, to make decisions on sustainable development and activities within, or that affect, the Orkney Islands marine region. An overarching aim of the Plan's general and sector policies is to, in order of preference, avoid, minimise and/or appropriately mitigate any significant adverse impacts or effects that could be caused by proposed development and/or activities including offshore wind projects.

OIRMP Sector Policy 5: *Offshore wind, wave and tidal renewable energy generation* identifies that proposals for offshore wind energy development and/or activities should avoid, minimise or appropriately mitigate significant adverse impacts on:

- a. landscape and/or seascape character and visual amenity;
- b. nature conservation designations, protected species, and the wider biodiversity, including Priority Marine Features;
- c. seal haul-out sites;
- d. water quality and the benthic environment;
- e. historic environment assets;

- f. coastal processes including those caused by erosion, flooding and wider coastal change;
- g. other coastal and marine users including, but not limited to, commercial fishing, shipping and navigation, ports and harbour infrastructure/operations, marine cable routes and pipelines, active aquaculture sites, tourism, recreation, and sport and leisure activities;
- h. aviation and defence interests;
- i. telecommunications, radar and broadcasting installations; and
- j. amenity, including consideration of road traffic, noise, light, access, vibration, shadow flicker and litter impacts.

The OIRMP general policies provide detail on how impacts on these receptors should be considered and mitigated:

- General Policy 1: Sustainable development, activities and use
- General Policy 2: Safety
- General Policy 3: Climate change
- General Policy 4: Supporting sustainable social and economic benefits
- General Policy 5: Safeguarding natural capital and ecosystem services
- General Policy 6: Water environment
- General Policy 7: Coastal development and coastal change
- General Policy 8: Historic environment
- General Policy 9: Nature
- General Policy 10: Seascape and landscape
- General Policy 11: Surface and underwater noise, and vibration
- General Policy 12: Marine litter and waste
- General Policy 13: Non-native and invasive non-native species
- General Policy 14: Amenity, wellbeing and quality of life of local communities

Offshore wind developers should engage at an early stage in the planning and development process with consenting authorities, advisory bodies and local communities when assessing impacts on the above factors to identify opportunities for mitigation and enhancement measures.

It is also important that there is clear structure to the involvement of statutory consultees and expert agencies through the development process in order to maximise efficiency of consultation and engagement processes. In land-use planning the use of Planning Processing Agreements has been established as a mechanism to manage developer-consultee process stages. It would be worth considering whether a comparable process could be established to structure engagement processes, linked to future National Marine Plan 2 approval stages.

The potential impact on birds is highlighted as a significant risk and it would be helpful if this Plan could establish as much detail as possible and as early as

possible to provide confidence and direction to the development process (recognising that some of this may be pending outcome of NMP2).

Question 6

Do you think the monitoring of environmental impacts of the draft Plan should be overseen by existing expert groups, or should a new expert advisory group be established for this purpose? Please explain your response.

No comment.

Question 7

Do you have any comments on the proposed changes to the SMP-OWE governance structure?

Associated British Ports should be included in the SMP OWE Steering group.

Question 8

Do you have any suggestions for how evidence should be shared and/or fed into strategic research programmes?

It is important that the evidence base is publicly available to inform developer decision making and marine policy development.

Question 9

Do you agree with the approach proposed to remove the iterative plan review process and replace it with the stated evidence and future planning proposals? Please explain your response.

Don't Know

No objection to the principle of removing the Iterative plan. However, it is important that there is a clear process and timeframe established for future stages of development which can provide certainty to developers and authorities moving forward. This could aim to establish a more comprehensive, ideally spatial, policy-based planning approach.

It is also critical to reflect on the process to date, and to establish a “lessons learnt” process to inform future work. This should involve the developers and public agencies that have been involved in the various processes to date.

The proposal to bring in a distinct sectoral marine planning process for future commercial-scale leasing rounds is supported. A future sectoral planning process would have to incorporate regional and island stakeholder views to inform the process of the environmental, economic and social impacts on these communities

from offshore wind developments already present in the regions, and how new leasing rounds could potentially impact island and coastal communities.

Question 10

If you have any further comments or points that you think should be taken into account in the plan, please provide those below.

OIC has declared a climate emergency and recognises the critical role that further offshore wind development will have in tackling climate change and in helping us meet our decarbonisation targets.

Our Council Plan identifies renewable energy development as a top priority and sets out our ambitions to make the best use of our energy resources and opportunities.

Renewable energy resources from the wind and sea in and around Orkney constitute significant concentrations of potentially exploitable renewable energy resources in the UK. OIC welcomes this consultation and the opportunity for further engagement with the Marine Directorate and developers to ensure that Orkney's interests can be accommodated as the development of projects in Option Areas within and adjacent to Orkney waters progress. OIC strongly supports the need for continued communication with stakeholders, particularly Islands Councils, beyond the adoption of the Final Plan.

To provide important context, Orkney comprises around 70 islands, of which 19 are inhabited. Around 80 per cent of the population live on the Orkney mainland, particularly in the two biggest towns of Kirkwall and Stromness. We are an innovative and forward-thinking island community with abundant natural resources and rich cultural heritage. Our exceptional coastal and marine environment co-exists alongside a vibrant and diverse marine economy which is imbedded within the local community. A clustered approach to marine activities and management is the norm with local expertise and experience driving innovation in marine energy, fisheries, aquaculture, marine planning and resource management.

The Council has extensive experience in local governance having been a unitary Authority with responsibility for a wide range of public services for our community since 1974. Under the Orkney County Council Act 1974 we also have relatively unique experience of being the Statutory Harbour Authority for Scapa Flow, Kirkwall and other small ports and harbours, including all the duties that are associated with this – part of which is managing our Harbour activities in a manner which has ensured environmental and economic security of our community over many decades.

The approved Orkney Harbour Masterplan Phase 1 (April 2020) includes development of a pier in Scapa Flow (Scapa Deep Water Quay, a NPF4 project), Hatston Pier Extension (a NPF4 project,) Stromness pontoons and Kirkwall Pier extension / redevelopment.

Orkney Islands Regional Marine Plan is currently being prepared by OIC as a single delegate, in accordance with the Delegation of Functions (Regional Marine Plan for the Scottish Marine Region for the Orkney Islands) Direction 2020. The Orkney Islands Regional Marine Plan – Consultation Draft (OIRMP) was deposited for consultation in 2024 and is scheduled to be adopted by Scottish Ministers in winter 2025/26. This Plan contains policies to guide public authorities, including but not

limited to, decision makers, consenting authorities, regulators, and planners, to make decisions on sustainable development and activities within, or that affect, the Orkney Islands marine region. This Plan contains general and sector policies of relevance to proposed development and/or activities including offshore wind projects. The Updated SMP-OWE should signpost to relevant regional marine plans to assist offshore wind developers.

Green hydrogen and the production other zero or low fossil carbon fuels should be considered as part of the potential solution to current grid constraints for offshore wind and other renewables. Such projects could enhance the commercial viability of offshore wind developments and assist the future decarbonisation of other sectors including marine transportation, agriculture, aquaculture etc. Repurposing oil and gas infrastructure in Orkney for the production/handling of zero or low fossil carbon fuels should be supported in national policy including the updated Sectoral Plan.

As a general comment, the term 'commercial' when referring to projects over 100MW we believe is misleading and assumes that smaller developments are considered 'non-commercial' e.g. Innovation projects under INTOG. We would prefer to see reference to large, medium or small (community) scale. The market will ultimately determine the viability of any project. Whilst economies of scale do play a part in determining that viability, so do grid connection charges, grid use of system charges, the market price of electricity, the availability of revenue support mechanisms, the price of carbon, developments in technology etc.

Annex A. SMP-OWE and Associated Assessments Policy Context, Planning, page 66, should refer to NPF4 National Development 1 – Energy Innovation Development on the Islands.

Annex A – Page 71 is unclear why the EU Directive 2014/89/EU (the Maritime Spatial Planning Directive) is discussed under the Soil (Marine Geology and Physical Processes) section. This directive should be referenced under Planning in Annex A. It would be more relevant to refer to Dynamic Coast and Coastal Change Adaptation Plans under Soil (Marine Geology and Physical Processes).

Annex A refers to NPF4. The status of NPF4 in decision making for offshore wind should be clarified in the updated SMP-OWE.

Annex B, Regulating Offshore Wind Farm Development in Scottish Waters, page 85, should refer to regional marine plans in addition to the national marine plan.

Question 11

A policy review has identified that no aspects of the draft plan will impact on children's rights, as outlined briefly in Annex C. Do you agree with these findings? If you have identified any impacts on children's rights and/or wellbeing, please explain.

Yes

Question 12

Do you have any comments on the partial Business and Regulatory Impact Assessment?

In its current draft it is difficult to comment upon the value of the template prior to its application, therefore we would reserve position on this document at this stage and look forward to opportunity to comment further on this once the full BRIA is available.

Question 13

Do you have any comments on the partial Island Communities Impact Assessment?

OIC welcomes that the Scottish Government is committed to conduct a full ICIA as part of the plan making process and agrees that the updated Sectoral Plan is likely to have significant differential impacts on island communities when compared to mainland locations. That said, the partial ICIA deposited for consultation does not adequately identify or address impacts on island communities, particularly Orkney, and will need to be substantially updated. The ICIA should lead to the identification of mitigations/actions in the Updated Sectoral Plan to address impacts on island communities.

OAs located in close proximity to island communities are likely to have greater impacts on those communities including:

- impacts on local infrastructure including ferries and roads, including direct, indirect and displacement effects.
- impacts on current and future operational profile of Orkney's existing (and future national developments established in NPF4) ports and harbours which are critical lifeline and commercial infrastructure for Island communities including import and export routes supporting all social and economic activity.
- impacts on local housing markets, house prices, housing availability and temporary accommodation due to construction and operational workers.
- public and wider services including schools, training, transport, social housing and social care, including direct, indirect and displacement effects.
- impacts on wellbeing, amenity and quality of life.
- impacts on island fishing communities, where employment in fishing accounts for a higher percentage of employment in island communities when compared to mainland locations. There needs to be a requirement within the Sectoral Plan for developers to maintain access to static gear fishing during wind farm operation and to appropriately compensate affected fishers excluded during the construction phase.
- impacts on the local economies (either positive or negative). These projects have the potential to bring much-needed investment and job opportunities to island

communities however, there is a risk that island communities may be disadvantaged unless policymakers, developers and decision makers embed local economic participation into the planning and delivery of these developments, including investment in island infrastructure.

To illustrate the impacts from offshore wind development on island communities, the West of Orkney Wind Farm (N1) provides a useful case study. Due to the significant numbers of construction workers required in Orkney for the West of Orkney Wind Farm construction phase, and their associated temporary housing requirements, there are likely to be significant impacts on the Orkney housing market for existing residents and the provision of tourist accommodation. The socio-economic impact assessment for West of Orkney Wind Farm proposal identified a low case scenario annual need for a local workforce in Orkney of 123 workers during construction. The potential direct effects, and cumulative effects associated with other planned infrastructure construction projects, would be significantly adverse for housing and accommodation availability in Orkney. These effects need to be understood in the context of the current significant shortage of housing in Orkney and high demand for housing for key workers. 123 construction workers will have more significant impacts on the infrastructure and services of an island community when compared to large mainland areas.

The partial ICIA states *‘as the updated SMP-OWE is a national-level strategic plan the identification of quantified impacts for the majority of receptors for specific island communities is not possible’*. Given the significant island specific socio-economic impact information that is available to support the current Scotwind consent applications, it is considered possible to identify specific impacts on islands and address these in the ICIA.

The partial ICIA states that many islands *‘express a desire for additional policies to cover issues such as placing a requirement on developers to make use of local supply chains, creating standards for community engagement practices and to set parameters for community benefits. It is recognised that these issues are out with the scope of the updated SMP-OWE to address, as it is a spatial plan and not a statutory policy document’*. OIC does not agree that these factors are not out with the scope of the updated SMP-OWE. The updated SMP-OWE includes environmental mitigation measures, it is therefore possible and reasonable to expect the plan to include socio-economic mitigation measures, or effects on human health with the context of the SEA, to address impacts on island communities identified within a full ICIA.

Delivering a just transition to net zero will require offshore wind developments to deliver equitable and sustained benefits to adjacent/host island communities. We request that the updated Sectoral Plan includes specific mitigation to address social and economic impacts on island communities.

Question 14

Do you have any comments on the Strategic Environmental Assessment Environmental Report?

The SEA provides a reasonable high-level assessment of the likely effects of implementing the Plan but acknowledges that significant data gaps remain in the understanding of both the current and future marine environment around Scotland. As new data and knowledge becomes available, these factors should be kept under review to enable sustainable offshore wind development in Scottish waters to be maximised.

Further national policy and guidance on biodiversity enhancement and nature positive provisions for offshore wind energy developments are required.

At 6.3.2, SEA ER identifies plan level mitigation measures to 'ensure avoidance of significant environmental effects' from Test & Demonstration projects. These include the following mitigations that are considered to be overly precautionary and require further clarity on how they are proposed to be implemented in decision making:

- 'T&D projects will be located >5 km from designated seal haul outs'. Why 5km? NatureScot advise a buffer zone of 500 metres to avoid disturbance to seal haul out sites.
- 'T&D projects will be located beyond 15 km from the coastline to avoid significant seascape and visual effects, and impacts on coastal receptors (e.g. watersports, recreational angling, coast protection and inshore fisheries)'. Why 15km? To identify appropriate T&D sites from a landscape/seascape perspective, the distance from shore should be informed by project level Seascape and Landscape Visual Impact Assessment in an EIA. The existing Plan Option Areas N4 and W1 are within 15km from the coastline and will be larger 'commercial' scale projects. It is therefore requested that the appropriateness of this plan level mitigation measure be reconsidered.
- 'T&D projects will avoid higher density fishing areas'. How will higher density fishing areas be defined in practice? This could be overly constraining on development potential for T&D sites which are likely to be a relatively small spatial footprint with impacts on fishing that could potentially be mitigated at the project level.

Question 15

Do you have any comments on the Habitat Regulations Appraisal Appropriate Assessment Information Report?

It is noted that modelling outputs in relation to birds (collision and displacement) and marine mammals (disturbance from underwater noise) were unavailable to inform the HRA AAIR. This has prevented a full Appropriate Assessment from being completed and the identification of compensatory measures. Further clarity is required on strategic compensation policy and measures. It is disappointing that the Updated Sectoral Plan is not supported by the identification of specific strategic compensation proposals.

Further national policy and guidance on biodiversity enhancement and nature positive provisions for offshore wind energy developments are required.

The principle of a Marine Recovery Fund in Scotland is supported by OIC as a mechanism to facilitate the delivery of strategic compensation measures. Strategic compensation policy should ensure that there is an equitable distribution of compensation measures across Scottish waters which include the islands.

The plan level measures identified at 12.3.8 in the HRA AAIR aim to restrict the size and scale of the T&D projects, avoid overlap with Protected sites and reduce potential conflict with features. It states at 12.3.8 that *'T&D projects would not be located outside the boundaries of Protected sites'*. Presumably this should state *'T&D projects would be located outside the boundaries of Protected sites'*.

Question 16

Do you have any comments on the Social and Economic Impact Assessment?

It is welcomed that the updated SMP-OWE is supported by a Social and Economic Impact Assessment (SEIA) to consider impacts on other marine sectors and the lives and circumstances of people, their families and their communities. It is particularly welcome that knock-on social impacts are assessed in addition economic factors.

It is disappointing that the updated Sectoral Plan regional boundaries split Orkney's marine waters into two different regions. This is not very helpful when assessing the Plan and its effects on Orkney communities. These regional boundaries have not been identified with due consideration to how the Option Area developments relate to host island communities like Orkney. OIC raised this as an issue in response to the SMP-OWE consultation in 2019-20.

Splitting of Orkney across 2 areas is unhelpful and risks the impact/opportunity which is attached to Orkney not being given sufficient focus for development in either area. This is not the case for any other Authority area in Scotland. If it is not possible to establish Orkney as a specific area (as has been done for Shetland) then as a minimum the Plan should reference specific "key considerations" for Orkney as an area which straddles 2 areas skewed by the size of the Highlands and Aberdeenshire regions respectively. The risk is that assessments for the separate areas will not be able to present a comprehensive appraisal of impact for Orkney.

An example would be the observations made with regards to educational deprivation and lifestyle being considered broadly across the vast area of the 'North Region' – where Orkney has dedicated services on the isles. While this section appears to capture Orkney's economic activity, by contrast, Orkney's portrayal in the 'North-East' appears to focus on its health and crime statistics, which we understand are typically gathered for Orkney as a whole. We therefore question the value of consideration by region where the data is segmented in this way, and the validity of the conclusions it draws for our region.

In practical terms splitting Orkney into two does not have any benefits when marine, harbour or transport concerns are considered. The whole of the Orkney Isles is one area with internal and external ferries supporting the economy, with the ports and harbours being an important element of this. This is clearly shown with the approach to Harbour Master planning where Phase 1 was completed and approved in 2020 –

considering the more major ports and harbours in Orkney as a whole, and Phase 2 just commencing with considering other ports and harbours in the whole of Orkney. This is not a geographical split but due to physical size and implications to the whole of Orkney. Splitting Orkney into two for SMP does not make any practical or commercial sense.

Table E1 identifies ports used as indicative of the range of locations that could support offshore wind development. This includes Scapa Flow but should also include Hatston, Kirkwall.

Question 17

Do you have any comments on the NCMPA Assessment Report?

No.

Question 18

Do you have any comments on the Sustainability Appraisal report?

No. As the Sustainability Appraisal summarises the findings of the SEA etc, refer to OIC comments on the other supporting assessments.

Question 19

Do you have any comments on the Regional Locational Guidance?

Overall, the majority of spatial data appears accurate. Similarly to the comments raised elsewhere, it is disappointing that the updated Sectoral Plan regional boundaries split Orkney's marine waters into two different regions. This is not very helpful when assessing the Plan and its effects on Orkney communities. These regional boundaries have not been identified with due consideration to how the Option Area developments relate to host island communities like Orkney. In the Locational Guidance context, it leads to some important industries in Orkney being split up and appearing to be smaller operations than they are in a local context.

Paragraph 4.5.6 refers to the "Orkney Water Marine Spatial Plan". It is unclear whether this is referring to the Draft Orkney Islands Regional Marine Plan (expected final publication Winter 2025/26) or the non-statutory 'Pilot Pentland Firth and Orkney Waters Marine Spatial Plan'. It may be appropriate to reference the Orkney Islands Regional Marine Plan here.

The Shellfish Aquaculture dataset appears to be out of date/incorrect in the Orkney area, with sites marked on the map that do not exist.

Paragraph 6.3.23 states: "There are no projects involving hydrogen production in the North East region." Orkney produces and has been a demonstration region for numerous green hydrogen demonstration projects. These projects, including Surf 'n' Turf and Building Innovative Green Hydrogen in Isolated Territories, have produced hydrogen from renewable sources, including community-owned wind energy and

tidal energy installations. The Orkney Hydrogen Strategy¹ aims to develop a sustainable hydrogen economy in Orkney to help meet net-zero targets, create local jobs, and develop a local supply chain and a more resilient local energy system. The strategy seeks to establish Orkney as the global exemplar in green hydrogen integration, supporting a robust rural net-zero economy.

The Flotta Hydrogen Hub (which would fall within the North region) is a proposed green hydrogen production and export project on the island of Flotta that is investigating the opportunity for offshore wind energy to power the production of green hydrogen on an industrial scale. This project aims to investigate options for hydrogen production and distribution from Flotta, utilising a repurposed area of the existing Flotta Oil Terminal².

¹ Orkney Hydrogen Strategy – The Hydrogen Islands 2019-2025. Orkney Islands Council.
<https://www.orkney.gov.uk/media/wvfuup1/hydrogen-strategy.pdf>

² Flotta Hydrogen Hub. <https://www.flottahydrogenhub.com/>

Summary of the key issues identified in the Council Officer response to the draft updated Sectoral Marine Plan for Offshore Wind Energy Consultation

The key issues raised in the draft Council Officer consultation response are:

- The Council Plan identifies renewable energy development as a corporate priority and sets out our ambitions to make the best use of our energy resources and opportunities.
- Orkney Islands Council (OIC) supports the sustainable development of offshore wind in Orkney and Scottish waters provided that benefits to our local communities are maximised, and an appropriate balance is struck between economic, social and environmental needs of local communities.
- OIC welcomes this consultation and the opportunity for further engagement with the Marine Directorate and developers to ensure that Orkney's interests can be accommodated as the development of projects in Option Areas within and adjacent to Orkney waters progress.
- A just transition to net zero requires that offshore wind developments should deliver transformative social and economic benefits for host island communities, delivering investment in the required island infrastructure and services, creating jobs, supporting local skills development and local supply chains. (OIC) aims to work in partnership with the Scottish Government, developers and agencies to achieve our shared ambitions to maximise the benefits to Scotland from offshore wind and investment in the local infrastructure required to enable this. This will require significant upfront investment of Scotwind Crown Estate Scotland revenues in harbour infrastructure to enable project deployment, operations and maintenance to be delivered in Scotland.
- To enable lasting benefits for Scotland's islands and coastal communities, workforces will need to be located within these communities, supported by the required infrastructure and services. Scotwind Crown Estate Scotland revenue should be passed to host island communities to enable them to prepare for and benefit from offshore wind activity.
- Orkney has considerable harbour infrastructure available for use by the offshore wind industry and is investing further in it on the expectation that offshore wind will utilise the significant local assets available to them. This has been set out in Orkney's Harbours Masterplan and Offshore Energy Development Strategy. The risk associated with these investments is considerably higher if no measures are put in place against developers building abroad and ultimately bypassing the local economies most affected by their developments.
- The utilisation of harbour infrastructure in Orkney, including sheltered anchorage for wet storage, provides significant locational and operational benefits to offshore

wind developers in the North of Scotland. Investment in Orkney's harbour infrastructure will be a critical component of a just transition to net zero for Orkney communities, ensuring that we can benefit from offshore wind development in Orkney and wider Scottish waters.

- OIC fully supports the introduction of mandatory community benefit payments for offshore wind developments and believes this could be instrumental in expediting the roll out of truly sustainable renewable energy across Scotland. Community benefit funds need to be proportionate to the scale of development/commercial revenues anticipated under ScotWind and need to be sufficient to address the infrastructure and service requirements resulting for this scale of industrial change. Community benefit funds should be strategically targeted, alongside wider public and private sector investment, to avoid small scale and potentially tokenistic outcomes for affected communities.
- OIC supports the inclusion of test and demonstration projects in the updated Sectoral Marine Plan for Offshore Wind Energy (SMP-OWE).
- Given Orkney's track record in test and demonstration for marine renewables, local expertise and supply chain, and representative metocean conditions for ScotWind and INTOG sites, Orkney is considered an ideal location for an offshore wind test and demonstration site.
- Offshore wind technology should play a key role in meeting the Scottish commitment to reach net zero emissions by 2045. That said, policy and financial support to other technologies including wave and tidal sector should also be a priority to benefit from the significant innovation and development in Scotland, particularly Orkney, and the abundant energy resources.
- As well as delivering major benefits, large scale offshore wind developments can have significant onshore impacts on adjacent island communities including on harbours, roads, housing markets, wider infrastructure, and community services and facilities. It is therefore important that these factors are assessed and appropriately mitigated, and that this mitigation is effectively secured via the consents for offshore wind farms and associated infrastructure.
- It is recommended that National Marine Plan 2 should take the lead from National Planning Framework 4 (NPF4) on policies to maximise socio-economic benefits from marine developments and activities, and policies to deliver community wealth building for island and coastal communities, particularly NPF4 Policy 11c and Policy 25.
- The Orkney Islands Regional Marine Plan – Consultation Draft includes policy to support and maximise sustainable social and economic benefits from marine development for Orkney communities (General Policy 4). Once the plan has been

adopted in winter 2025/26, this policy will be supported by guidance prepared by OIC. The Updated SMP-OWE should signpost to relevant regional marine plans to assist offshore wind developers.

- Offshore wind developers should engage at an early stage in the planning and development process with consenting authorities, advisory bodies and local communities when assessing impacts to identify opportunities for mitigation and enhancement measures.
- The proposal to bring in a distinct sectoral marine planning process for future commercial-scale leasing rounds is supported. A future sectoral planning process would have to incorporate regional and island stakeholder views to inform the process of the environmental, economic and social impacts on these communities from offshore wind developments already present in the regions, and how new leasing rounds could potentially impact island and coastal communities.
- OIC welcomes that the Scottish Government is committed to conduct a full Island Communities Impact Assessment (ICIA) as part of the plan making process and agrees that the updated Sectoral Plan is likely to have significant differential impacts on island communities when compared to mainland locations. That said, the partial ICIA deposited for consultation does not adequately identify or address impacts on island communities, particularly Orkney, and will need to be substantially updated. The ICIA should lead to the identification of mitigations/actions in the Updated Sectoral Plan to address impacts on island communities.
- It is welcomed that the updated SMP-OWE is supported by a Social and Economic Impact Assessment (SEIA) to consider impacts on other marine sectors and the lives and circumstances of people, their families and their communities.
- It is disappointing that the updated Sectoral Plan regional boundaries split Orkney's marine waters into two different regions. This is not very helpful when assessing the Plan and its effects on Orkney communities. Splitting of Orkney across two areas risks the impact/opportunity which is attached to Orkney not being given sufficient focus for development in either area. If it is not possible to establish Orkney as a specific area (as has been done for Shetland) then as a minimum the Plan should reference specific "key considerations" for Orkney as an area which straddles two areas skewed by the size of the Highlands and Aberdeenshire regions respectively.
- It is disappointing that the Updated Sectoral Plan is not supported by the identification of specific strategic compensation proposals that can be commented on.

- The principle of a Marine Recovery Fund in Scotland is supported as a mechanism to facilitate the delivery of strategic compensation measures. Strategic compensation policy should ensure that there is an equitable distribution of compensation measures across Scottish waters which include the islands.