

SCOTTISH AFFAIRS COMMITTEE VISIT TO SHETLAND

The Scottish Affairs Committee visited Shetland between Sunday 11 May and Tuesday 13 May 2025 in connection with its inquiries into *Scotland's space sector follow-up: launch* and *GB Energy and the net zero transition*.¹

Members in attendance:

- Patricia Ferguson MP (Chair)
- Stephen Flynn MP²
- Lillian Jones MP
- Susan Murray MP
- Elaine Stewart MP
- Kirsteen Sullivan MP

North Yell Development Council

In a meeting with the North Yell Development Council (NYDC), the Committee met with Mark Lawson (Council Chair) and Kate Lonsdale (Development Officer). NYDC is a community organisation based on the north island of Yell in Shetland. In 2017 the NYDC established a community owned renewable energy project, the 4.5 Megawatt capacity Garth wind farm.

The Garth wind farm was 13 years in development and cost approximately £8.3 million. The Committee heard about the community group's challenges in establishing the windfarm, including acquiring council approval and sourcing the necessary funding.

The Committee also heard how the wind farm is considered an exemplar of community owned renewable energy projects. The Committee learned that the Feed-in Tariff (a UK Government scheme) guarantees a secure level of income for the NYDC from the electricity generated. However, the scheme is now closed to new applicants (since 2019) and therefore the model achieved at Garth is difficult for other groups to replicate.

Discussing large-scale renewable energy developers, such as the SSE Viking onshore wind farm in Shetland, the council said developers should pay a larger proportion of their profits into community benefit funds than they currently do. Legacy housing and improved transport infrastructure were also highlighted as ways large-scale developers could benefit the communities that host energy infrastructure.

The Committee heard about the numerous projects the wind farm has funded. This includes a new marina, industrial estate, a grant scheme to support residents with energy bills, and plans for a new caravan park. The council demonstrated how it frequently consults the North Yell community on how to spend the money generated. This included a formal consultation process with residents in 2022 to inform its five-year

¹ Pursuant to the Committee's resolution of Wednesday 12 February 2025.

² Stephen Flynn was not present for the meeting at Shetland Islands Council.

development plan. It also holds weekly community lunches, which are opportunities for the council to informally consult residents on development plans.

Discussion also covered the lack of available housing for residents on the island, the unreliability of ferry transport and the need for tunnel transport links.



The Committee visited the North Yell Development Council's Garth wind farm.

SaxaVord spaceport

The Committee visited SaxaVord Spaceport on the island of Unst, which in December 2023 became the UK's first licensed vertical launch spaceport. The Committee was given a tour of the SaxaVord launch site, including the launch pad being built for Rocket Factory Augsburg's (RFA) first launch attempt, and the nearby integration hangar.

The Committee met Rhys Williams, the Managing Director of RFA UK. Some of the points of discussion include:

- Following an abnormality during a test firing in August 2024, there is more confidence going into the next first stage test, with aims for this to take place in the middle or end of summer 2025. While making preparations for that test, RFA are also currently building the first stage for the second flight (currently being commissioned in Sweden), which they are planning to take place in spring or summer 2026.
- There was no environmental impact from the previous test flight. All the debris was caught and safely removed.
- RFA value the community efforts and have leaned into the skills base present in Shetland by hiring many contractors from the island (particularly from Lerwick).

The Committee also met with various SaxaVord representatives including:

- Debbie Strang (Chief Operating Officer)

- Ramsay Jones (Consultant)
- Mairi Prior (Chief Financial Officer)
- Elizabeth Johnson MBE (External Relations Manager)
- Dave Barr (Spaceport Operations Manager)
- Jimmy Slaughter (Range Operations Manager)

Representatives from Shetlands Islands Council were also in attendance. This included Neil Grant (Director of Development Services) and Councillor Dennis Leask (Chair of the Development Committee).

Some of the key points made by SaxaVord representatives to the Committee are summarised below. These points do not necessarily reflect the view of the Committee.

- It is vitally important that the UK and Europe have access to space and their own capability to launch – especially given the current geopolitical situation.
- Launching more satellites into space can help create improvements for defence and security.
- Staff at SaxaVord had backgrounds in a range of sectors, including some which might not be thought to have obvious similarities to the space sector. This illustrates the transferability of skills.
- The hangar is designed for multiple clients' use, and can meet a wide range of needs. Scheduling and controlling where people are at the right time(s) will be the most complicated part of operating its use.
- SaxaVord have a commitment to sustainability and are working on a transition plan to see how they can achieve carbon neutrality. They have established "SaxaZero" – a scheme aimed to place them at the front of the space sustainability agenda and are also promoting the use of satellite data to lower emissions.
- A space freeport would be beneficial and could draw people to come to Scotland.
- The SaxaVord launch site has the capacity to have additional pads built – although the need would have to be proven. SaxaVord are also confident that there is sufficient demand for the use of their remaining pads.
- Staff spoke about the local impact and highlighted that the success of the launch site could bring increased jobs and economic prosperity to Shetland.
- It would also be beneficial for both Governments to help with infrastructure. As SaxaVord scale up and complete more launches, they will need an increase in teams and accommodation. RFA highlighted that this is very important for their business case.



The Committee toured the SaxaVord launch site.

SSE Viking and SSEN Kergord

The Committee visited SSE Renewables' Viking wind farm on Shetland, formed of 103 turbines with a capacity of 443 Megawatts. The Committee was hosted by Haydn Jamieson (Operations Manager).

The Committee heard about the challenges SSE faced in establishing the wind farm. It took 12 years to secure planning consent and three years to construct the site. With parts of the construction taking place during the Covid-19 pandemic, SSE also highlighted the positive impact the project had on Shetland's supply chain businesses during this time.

The Committee discussed the community benefit fund set up by SSE, whereby a proportion of profits from Viking is made available to residents. An independent board of members is responsible for decisions on how the fund is spent for the benefit of the community. SSE told the Committee the community benefit fund is the largest in the UK.

There was also discussion about the expansion of renewable electricity sources and the implications for consumers' electricity bills. This included discussion on the particular challenge of fuel poverty for residents in Shetland, where energy bills are higher because of the location.

The Committee also met with representatives from SSEN's Kergord transmission site. The site is a key part of the HVDC (high-voltage direct current) project, which aims to connect Shetland to the transmission grid in Great Britain. From SSEN Transmission, the Committee was hosted by Mark Kelly (Deputy Project Director for Shetland AC Delivery).

The Committee learned the project involves almost 260km of cabling, mostly laid under the North Sea, between Kergord and Noss Head, Caithness. The Committee heard about the proposed benefits of the HVDC link, including improved heat efficiency and greater grid resilience.

The site is positioned next to SSE's Viking operational base, to facilitate the export of renewable energy generated in Shetland to the mainland. The link is also expected to improve the security of electricity supply for Shetland, ensuring a stable and reliable energy source for the island.

The Committee questioned the rationale behind the company using overhead and overground transmission cables in different places. The degree of residents' opposition to overhead cables was another point of discussion.

Shetland Islands Council

The Committee met with representatives from the Shetland Island Council. Attendees included: Neil Grant (Director of Development), Douglas Irvine (Executive Manager for Future Energy), Dennis Leask (Councillor), Gary Robinson (Councillor).

The meeting covered a broad range of issues, including the energy transition, the lack of available housing, the cost of living on Shetland, and the need for improved inter-island transport links such as tunnels.

On energy, the Committee heard about the transformative legacy of the oil and gas industry in Shetland and the recent expansion of renewable and low-carbon energy projects. The barriers to this expansion were also discussed, with council members highlighting that the current energy market is not set up to make best use of the available clean energy. The council said UK Government and Scottish Government energy policies were fragmented and better collaboration was needed. There was also discussion around the importance of balancing the expansion of new energy projects with the interests of the fishing industry in Shetland.

There was discussion of community benefits, with Committee members drawing on insights from its visits to the Garth wind farm and SSE Viking. The council highlighted that most community benefits schemes are voluntary and inadequate compensation for the disruption caused. Council representatives suggested that regulation at a UK Government level is needed to strengthen the system.