

Redacted

Shetland Islands Council
Town Hall
Upper Hillhead
Lerwick
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ZE1 0HB

Ref: 360039j/PD/009

17 January 2011

Dear Redact

**Lerwick Port Authority
Proposed Dales Voe Decommissioning Base
Marine Works (Environmental Impact Assessment) Regulations 2007
EIA Scoping Consultation**

We write, on behalf of our client Lerwick Port Authority (LPA), as part of a scoping consultation process with regard to the proposed Dales Voe Decommissioning Base, to be situated in the Dales Voe inlet, to the North West of Lerwick.

In conjunction with AF Decom, a Norwegian decommissioning company, LPA has established that the existing Dales Voe base has the potential for expansion to operate as a decommissioning centre. This is to meet the growing requirement for the decommissioning of major structures located in the Northern North Sea and to ensure future employment at the base.

LPA will apply to the Scottish Ministers for the making of a Harbour Revision Order (HRO) under the Harbours Act 1964 (as amended) empowering LPA to carry out the proposed development.

It has been agreed with Transport Scotland, Ports and Harbours Branch (Scottish Government) that this Order shall be accompanied by an Environmental Impact Assessment (EIA) in accordance with the Marine Works (Environmental Impact Assessment) Regulations 2007.

An EIA scoping report has been produced and is enclosed. This report provides full details on the proposed development and identifies the key environmental issues that require further assessment.

This consultation invites you to review and comment on the scoping report and to identify any relevant issues that you consider the EIA should address and to be thereafter included in an Environmental Statement (ES).

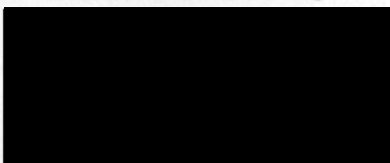
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We hope that you will assist us in sourcing any existing data or details of environmental projects carried out in the Lerwick Area which may be of significance to the project and that may be presented along with any data we may generate during the course of the assessment.

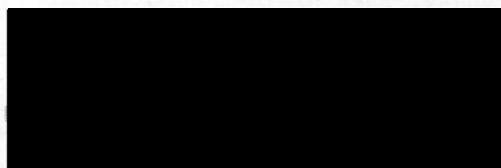
If you require further information, about the project in order to respond to this scoping request, please contact either of the undersigned at this office and we will supply information specific to your requirements.

We look forward to hearing from you and to establishing an open dialogue.

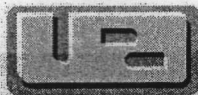
Yours sincerely,
For EnviroCentre Ltd.,



Director



EAM Sector Manager



LERWICK PORT AUTHORITY



Lerwick Port Authority

**Dales Voe
Environmental Impact
Assessment
Scoping Report**

November 2010

This document has been produced for Lerwick Port Authority
to support an application for a Harbour Revision Order. The
document has been compiled by



in conjunction with the following Companies



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Drawing No: 001

Proposed De-Com Base Overall Plan

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1. INTRODUCTION

1.1 Background

Dales Voe is a seawater inlet just to the north west of Lerwick. The current Dales Voe Base lies on the eastern shore of the inlet and was opened in 1986 and was designed for inspection, repair and maintenance of drilling rigs. The base is currently part of Lerwick Port Authority's (LPA) estate (See Photographic Record, Plate 1).

LPA in conjunction with AF Decom Offshore (AF Decom) has an ambition to significantly extend the base to facilitate the offloading and decommissioning of offshore structures located in the North Sea. LPA therefore seek all the necessary consents required in order to develop the base, whereas AF Decom will be responsible for securing all the necessary permits and licences required to operate the base.

Currently there are only two licenced decommissioning facilities in the UK, one at Greenhead in Shetland and the other in Teesside. None of these sites or any other potential site offer the water depth that is available at Dales Voe. The Shetland Islands therefore present a significant opportunity to facilitate the growth of the decommissioning industry for Scotland and the UK; particularly when the Department for Energy and Climate Change (DECC) has an ambition to see structures in the UK North Sea sector decommissioned in the UK.

Future decommissioning in the North Sea is estimated, according to a report by the Decommissioning North Sea Steering Group in April 2009 (precursor to Decom North Sea) to have a market value of between £20billion to £25billion. Therefore, the establishment of a decommissioning base at Dales Voe has the potential to bring significant economic and social benefits to Shetland and the UK as a whole.

1.1.1 The Legislative Context

The continued management and development of the harbour is subject to European and national legislation of which the following is the principal legislation relevant to the current development programme:

- Lerwick Harbour Acts and Orders 1877 to 2007;
- The Harbours Act 1964;
- Council Directive 85/337/EEC as amended by 97/11/EEC and 2003/35/EC (The EIA Directive);
- The Marine Works (Environmental Impact Assessment) Regulations 2007;
- The Harbour Works (Environmental Impact Assessment) Regulations 1999; and
- Food and Environment Protection Act 1985 (Part II) (FEPA).

To carry out the proposed development of the Dales Voe Base, LPA is required to apply for a Harbour Revision Order (HRO) as per the requirements of The Harbours Act 1964. It is LPA's view that the proposed development is an Annex 2 project as defined by the EIA Directive and will be considered, under the Marine Works (Environmental Impact Assessment)

Regulations 2007. The Food and Environmental Protection Act (FEPA) 1985 will apply and a FEPA licence will be required for dredging and depositing in the sea.

1.2 Scoping Process

For projects that require Environmental Impact Assessment (EIA), the scoping exercise, undertaken early in the project, allows identification of the environmental issues which require assessment. Scoping provides an opportunity for dialogue between the applicant and the relevant Statutory and Non-Statutory Consultees, including Non-Government Organisations, to: obtain their views on the proposal; identify potential impacts; identify existing environmental information; and agree methods for the assessment of the nature and significance of these impacts, thus ensuring that all relevant environmental issues are covered by the EIA.

This enables the project to be designed to avoid or minimise negative environmental impacts and provides an opportunity to incorporate positive environmental enhancements into the project.

The document has been prepared to assist the Scottish Government and the consultation bodies in forming an opinion as to the likely effects of the development, it describes the proposal and provides information with regard to the legislative and physical environment and aims to provide information sufficient to their decision making. It seeks to identify and obtain agreement on the relevant environmental issues that are likely to be associated with the proposed development in order to ensure that the EIA is correctly focused. Equally the scoping exercise aims to eliminate those issues that are deemed to be insignificant to this proposal.

Additional objectives of EIA scoping are:

- To establish the availability of baseline data;
- To request the statutory consultees' to provide any relevant environmental information relating to the site and surrounding area;
- To define a survey and assessment framework from which a comprehensive overall assessment can be produced;
- To provide a focus for the consenting authority and the consultees' considerations – in terms of:
 - The potential impacts to be assessed;
 - The assessment methodologies to be used;
 - Other areas which should be assessed; and
 - Other issues of perceived concern.

The information contained in this document is based on the current understanding of the nature of the proposed development and preliminary assessment of the potential environmental impacts.

Key subjects addressed in the scoping report are:

- Legal requirements;
- Proposed framework for the Environmental Impact Assessment;
- Consultation;

- A description of the nature and purpose of the development;
- The proposed methodology for assessment of alternatives;
- The potential for cumulative impacts;
- A description of the developments possible effects on the environment;
- Charts and plans sufficient to identify the site and any other matters considered of relevance;
- Identification of potential principal emissions;
- Potential sensitivity of receiving environment;
- Results of initial desk studies and site surveys;
- Outline of environmental assessment methodology; and
- Comment on issues not to be addressed.

The Scoping Report comprises the following sections:

Section 2: Description of the proposed development

Section 3: Stakeholder Consultation

Section 4: Planning Context

Section 5: EIA Methodology

Section 6-12: EIA Topic Areas

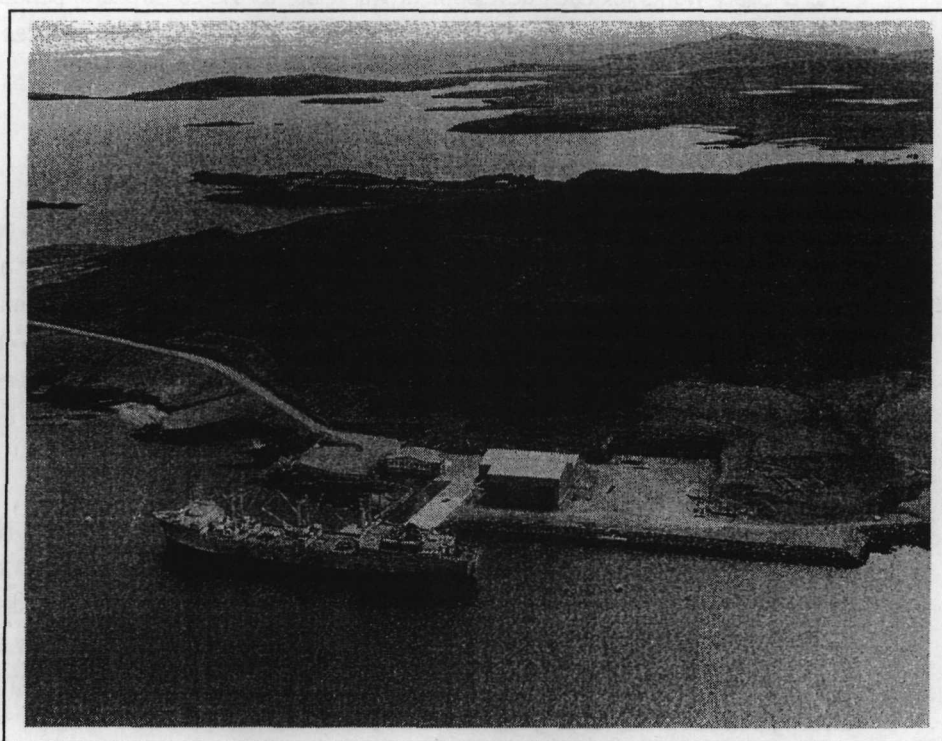
Section 13: Environmental Management Plan

In addition, to ensure an appropriate level of consultation, the scoping report will be forwarded to key stakeholders on approval from LPA. A full list of actual and potential stakeholders is given in Section 3 Table 3.1 of this report.

2. DESCRIPTION OF THE PROPOSED DEVELOPMENT

2.1 Site History

The site was first developed in 1986, with the opening of the existing base. The base is currently used for engineering and fabrication works as well as general storage. Previous decommissioning works have been limited to the disassembly of small sub-sea equipment. The site comprises two main buildings with a third office building, a yard, a tarmac car park and rock-armoured frontage and a suspended deck pier as shown on the photograph below. Work is currently in progress at Dales Voe to create additional lay down area by extracting rock from the rear of the base.



2.2 Description of the Proposed Development

A general description of the existing proposed concept layout is summarised below:

Development of Existing Dales Voe Base Quay Structures

New extension of existing 50m wide jetty a distance of approximately 110m wide to south and north in solid steel pile wall or suspended deck construction with local land excavation or dredged inert sand, shale and stone infill material forming an additional 18,000m² or thereby land reclamation behind and extending from existing shore hard standing.

Development of New North Dales Voe Base Quay Structure

New north development extended from existing base using local land excavation and dredged inert sand, shale and stone infill material forming an additional 45,000m² or thereby laydown area. Outer face of reclamation protected with rock armour and geotextile together with a solid

steel pile wall or suspended deck construction forming new 200m long Barge load-in berth to -9m Chart Datum (CD) deep.

Further 100m x 100m or thereby steel and concrete Load-In berth to -24m CD deep constructed out from new north reclamation with navigational approaches dredged to -24m CD.

Designated Laydown Areas

All designated laydown areas to be constructed with containment bund slab area all drained to treatment works before sampling and sea outfall discharge to controlled waters.

Ancillary Works

The ancillary works for each development will relate to the construction period and comprise the construction compounds with associated plant, offices and mess facilities and materials handling/stockpiling areas.

2.3 Alternative Sites

As stated in section 1.1, there are only two recognised licensed sites in the UK, neither of which have the deep water capability offered at Dales Voe and therefore options for alternative sites are limited. The Shetland Islands are ideally located for such a base, for a number of reasons, but particularly their close proximity to the Northern North Sea oil fields. The cost of shipping large structures is substantial, particularly if being done by heavy-lift vessel, thus for decommissioning the ability to limit travel distance has a significant bearing on the financial viability of a base.

In terms of alternatives at the regional level, in November 2005, Arch Henderson LLP completed a Feasibility Study on behalf of Lerwick entitled: *Lerwick Harbour Options for Proposed Decommissioning Base*. This study considered the advantages and disadvantages of two potential sites, Greenhead North and Dales Voe Base. Ultimately, the study examined each locations suitability as a North Sea decommissioning base, using a number of criteria, including existing infrastructure, loading capacity, navigation, water depth and cost.

The report concluded that both Bases were feasible, but that Dales Voe had a number of advantages with a lower cost to develop infrastructure, presence of existing open and deep water approaches as well as the opportunity to expand the facility in the future.

The 'do nothing' scenario is another option for LPA, however this would be contrary to one of the port's key objectives of securing further decommissioning projects through the expansion of its deep water facilities. Adopting the 'do nothing' approach would then delay and potentially inhibit the ports ability to gain a stake of the emerging North Sea decommissioning market and the socio-economic benefits this would bring to Lerwick.

The consideration of alternatives will be summarised in the ES and the report included within the technical appendices.

2.4 Preferred Development Options

The availability of alternative sites for a North Sea Decommissioning Base is limited given the specific requirements for such a facility, and as the study referred to in section 2.3 outlines, the two main locations have been in consideration for some time. The study concludes that Dale Voe Base is the most viable location and hence the preferred option.

3. STAKEHOLDER CONSULTATION

3.1 Environmental Impact Assessment Consultation

With specific reference to the proposed development the following consultees have been identified:

- Shetland Island Council (SIC);
- Local Community Councils;
- Shellfish and Fish Farm Operators;
- Health and Safety Executive (HSE);
- Historic Scotland;
- Marine Scotland;
- Maritime and Coastguard Agency;
- Royal Society for the Protection of Birds (RSPB);
- Scottish Environment Protection Agency (SEPA);
- Scottish Natural Heritage (SNH);
- The Crown Estate;
- Shetland Amenity Trust; and
- Utilities.

Table 3.1 shows the primary issues upon which stakeholders shall be consulted; this includes statutory and non-statutory consultees.

Table 3.1: Statutory & Non-statutory Consultees

Topic Area	Consultee
Planning Context	Marine Scotland SIC
Geology and Soils	BGS SEPA
Water Environment	Marine Scotland Maritime and Coastguard Agency SIC SEPA SNH The Crown Estate Hjaltland Sea Farms Limited (Salmon Fish Farm) Shetland Fish Ltd (Mussel Farm)
Ecological Assessment	RSPB SNH
Noise and Vibration	SIC Environmental Health
Air Quality	SIC Environmental Health
Landscape and Visual	SIC SNH
Archaeology and Cultural heritage	Historic Scotland Royal Commission on the Ancient and Historical Monuments of Scotland (RCAHMS) Shetland Amenity Trust
Utilities	BT, Transco, Electricity, Scottish Water

A stakeholder consultation strategy will be developed as part of the Environmental Impact Assessment.

4. PLANNING CONTEXT

LPA is the regulatory authority responsible for the management and development of Lerwick Harbour, however the harbour functions within the geographical context of the Shetland Isles and it is valuable to review Regional and Local Policy when undertaking EIA. The Shetland Structure Plan 2001-2016 and Shetland Local Plan June 2004 combine to form the Development Plan. The Local Plan translates the wider aims of the Structure Plan into the detailed framework needed to ensure future development is co-ordinated and decisions are soundly based.

The EIA will identify relevant policy and review how the port projects accord with the stated aims of the Development Plan. Common environmental objectives in the management of the Lerwick Harbour and coastal zone include safeguarding fishing interests, ensuring safe navigation is maintained, consideration of recreational interests, protection of the environment and natural heritage and ensuring availability of necessary infrastructure. To this end the EIA will assess the compatibility of the proposal with the stated aims of the Statutory Authorities.