

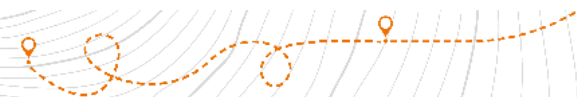


# Shetland Way Feasibility Study - Outline Business Plan

February 2023

In partnership with:





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## What are the benefits of the Shetland Way?

The route would be the United Kingdom's most northerly long-distance walking trail. The project aims to take advantage of the growing popularity of long and short distance walking trips in the UK which has been further encouraged by tourist and leisure behaviour change as a result of the COVID-19 pandemic. The development of walking routes alongside other outdoor visitor attractions and activities forms a key part of tourism recovery and growth plans in Shetland. The route is expected to generate the following benefits:

- Increased visitor spending of **£41m** over a 10-year period
- New jobs as result of the increased spend – **52 Full Time Equivalents (FTEs)** valued at **£20m**
- Extended duration of stay for visitors - **2.1 million** additional visitor days
- Job opportunities from capital investment in route establishment, operation and maintenance – **29 FTE's** valued at **£29m**
- Increased spend of **£130,000** from local users of the route which could support new part-time roles in the local economy
- Increased opportunities for physical activity for locals supporting improved physical and mental health – valued at **£2.2m**
- A more even distribution of tourism related benefits across the islands particularly in more rural areas where there is currently little or no existing visitor activity
- Better appreciation and understanding of Shetland's natural and cultural heritage
- Short-term economic benefits from charity and challenge events that could generate additional visitors and spending
- Inward investment in local businesses to stimulate business growth, job creation and retention in the more fragile areas of Shetland.
- Improved local labour market (more employment, longer hours) and reduced seasonality of tourism industry
- A benefit to cost ratio of **£3.30** for every **£1** spent establishing the Shetland Way.

## 1. Introduction

### 1.1 Overview

With 26 long distance walking routes collectively stretching over 1,700 miles, Scotland is renowned for its memorable walking opportunities. Long and short distance walking trips have been steadily growing in popularity in recent years. The appeal of walking routes has also been accelerated by post-COVID-19 tourism trends. Continued interest in walking linked to health and wellbeing benefits looks set to continue.

A Steering Group led by VisitScotland has commissioned a feasibility study to investigate the potential for a long-distance walking route through Shetland, known as the 'Shetland Way'. The Steering Group also consists of Shetland Islands Council (SIC) Economic Development and Planning Services, Highlands and Islands Enterprise (HIE), NatureScot and the Shetland Tourism Association. The Shetland Way would be the United Kingdom's most northerly walking trail, providing a high-quality new visitor attraction which would encourage people to visit Shetland. The 2019 Shetland Visitor Survey<sup>1</sup> shows that the main visitor activity in Shetland is walking. This activity is directly linked to Shetland's landscape which is the islands' principal attraction.

This document summarises the main findings from the Feasibility Study and outlines the Business Plan for the project going forward. This document should enable the project to move forward as it indicates:

- A strong case for investment
- High-level cost estimates and possible funding opportunities
- Options for long-term ownership and responsibility of maintenance, marketing and events.

### 1.2 The project

The Shetland Way long-distance route would run 116 miles from north to south through Shetland, linking the islands' considerable natural, cultural and community assets to deliver tourism and social, economic and environmental benefits. It could be used by visitors and local residents making both leisure and 'travel for a purpose' journeys.

<sup>1</sup> [PowerPoint Presentation \(visitscotland.org\)](https://www.visitscotland.org)

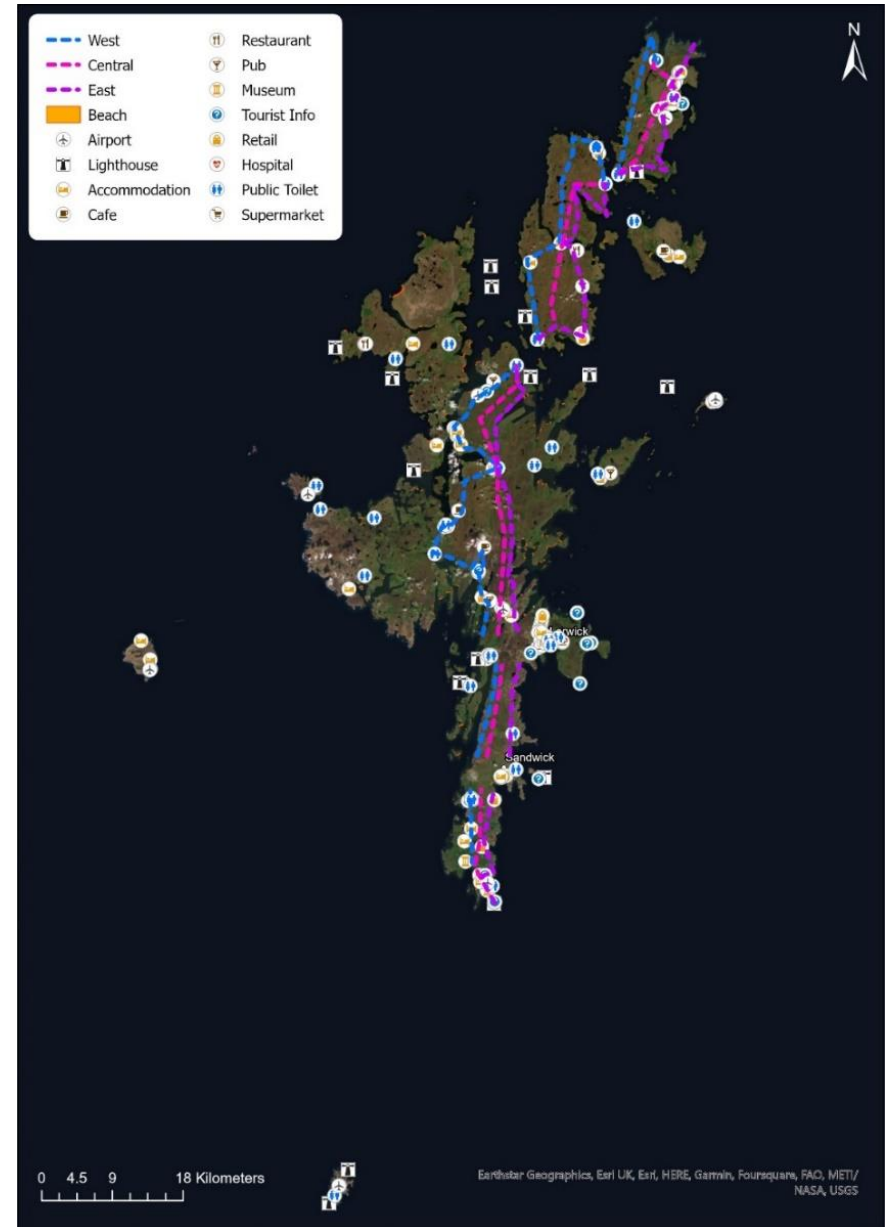


Although based on one linear route running north-south, there is also the possibility of including additional 'loop-routes', designed to run through specific communities or 'visitor hubs'. The beauty and variety of the landscape through which the route could pass, alongside the rich cultural experience on offer throughout the journey, would have a strong appeal to visitors, especially walking enthusiasts, and ensure that the project generates a positive and sustainable economic impact for communities throughout Shetland.

The route would utilise Shetland's designation as a UNESCO accredited global geopark, linking geosites as well as communities, visitor attractions and places of cultural and natural heritage. It would be designed for users of a range of capabilities and would be divided into sections that can be walked, or possibly cycled or ridden by horse independently of the rest of the route, as well as linking with public transport where possible. The figure to the right shows the route options that have been considered as part of this study.



Example Path Type







## 2. What is the proposed route?

### 2.1 Options Appraisal

An appraisal of the route options has been undertaken scoping each potential route against the project objectives and VisitScotland’s responsible tourism priority pillars to identify a preferred alignment of the Shetland Way. For the purposes of option identification and appraisal, the route has been split into seven sections (1 to 7) with two sub-sections aligned to choices of settlements (A and B).

Within each section, 2 or 3 route options have been identified and each has been scored against the project objectives to identify a preferred route alignment.

The sections have been identified only to inform route selection, they are not intended to reflect stopping points and it is assumed people travelling the Shetland Way would stop and stay at different locations along the route.

The preferred sectional options are shown in the table below. These are not fixed and would be developed further as the project progresses, in particular through further stakeholder, landowner and community engagement.

Section	Approx. Length (miles)
1 Sumburgh - Sandwick	15
2 Sandwick - Scalloway	12
3 Scalloway - Aith	19
4 Aith - Brae	13
5 Brae - Toft	8
6 Ulsta - Mid-Yell	13
7 Mid-Yell - Gutcher	18
8 Belmont - Baltasound	11
9 Baltasound - Hermaness	6
<b>Total</b>	<b>116</b>

In general, the preferred route sections tend to pass through existing communities rather than more remote parts of Shetland because they align well with the objectives of contributing to thriving communities and encouraging a greater spread of tourism related business. However, the preferred route does provide access to the natural heritage of Shetland, in particular coastal scenery, open spaces and beaches.

Having considered the route option appraisal outlined above, the Steering Group selected its preferred route alignment. This route alignment closely reflects the outcome of the option appraisal but has been slightly modified based on the local knowledge and tourism industry insights of the group members.

The identified preferred route is shown in the figure overleaf. The figure also identifies additional spurs, connections and loops which could be added to increase the range of destinations served and bring additional benefits to local communities. The main potential spurs, connections and loops include:

- A link between Scalloway and Lerwick
- A route(s) beyond Brae into North Mainland
- A route west from Aith to the west
- Alternative / parallel routes on Unst to provide access to the western coast

### 2.2 Land Ownership

Given that the detailed preferred alignment of the Shetland Way is not yet confirmed, potential land ownership issues cannot be fully understood at this stage. Initial discussions have been held with Viking Energy Wind Farm (VEWF) and SSE Renewables (SSER) who are key landowners and are keen to actively engage with the Steering Group to discuss the proposals for the Shetland Way.

Obtaining approval from landowners would be a key consideration in identifying a preferred alignment and this has been identified within the project risk register. Dialogue with landowners should be undertaken early in the process as the project and preferred alignment is further developed. It is considered that land ownership would not be a major barrier to delivering the route and, should landowners be uncooperative, then alternative routes could be considered (even if they are less direct). This was the approach adopted by promoters of the highly successful Hebridean Way.



### 2.3 Technical Delivery Considerations

We have set out the considerations for the technical delivery of the Shetland Way, establishing an approach as to how the route could be delivered. This is summarised in the table overleaf. Environmental considerations, including nature conservation, historic environment, landscape and visual opportunities have also been described in the study.

The technical specification has been informed by stakeholder and community engagement and reflects the general feedback that the route should be sensitively designed, in keeping with the local environment, rather than heavily engineered.

It is clear that, whilst the route would generally primarily cater for long-distance walkers, consideration should also be given to accommodating cyclists and equine activities. These, along with the needs of protected characteristic groups, should be given more consideration as the development of the route progresses. Consideration also needs to be given as to how the Shetland Way can provide benefits to local communities, encouraging them to undertake shorter, functional trips by active travel and to walk and cycle for leisure purposes.



Signage Current Examples



Element	Recommended Approach
Route alignment	<ul style="list-style-type: none"> <li>• Avoid routing people along 'A' class roads</li> <li>• Utilise some quieter roads (subject to road safety considerations / risk)</li> </ul>
Path type	<ul style="list-style-type: none"> <li>• Unlikely to be large sections of new path</li> <li>• Utilise existing roads, tracks and paths (similar to Hebridean Way)</li> <li>• Refer to <i>Paths for All Lowland Path Construction Guide standards</i></li> </ul>
Maintenance	<ul style="list-style-type: none"> <li>• Maintenance should not be overlooked, and budget should be allocated for a recommended 3-to-5-year rolling maintenance programme</li> <li>• Maintenance could be delivered by a combination of commercial contractors, not-for-profit organisations, land managers, training organisations, volunteers and community groups</li> </ul>
Lighting	<ul style="list-style-type: none"> <li>• No new lighting for remote / rural sections</li> <li>• Potential for sensitive new lighting in urban / built up areas</li> </ul>
Signage / wayfinding	<ul style="list-style-type: none"> <li>• Signage will be a key element, but should avoid visual intrusion</li> <li>• Refer to <i>Paths for All Signage Guidance for Outdoor Access: A Guide to Good Practice</i></li> <li>• Signage includes advisory signs, which let people know what to expect, and directional signage, which is about route / wayfinding</li> <li>• Signage to cover safety / land management and responsible behaviour</li> <li>• Signage Strategy and Signage Plan to be prepared</li> <li>• Potential for a logo to be developed</li> </ul>
Seating	<ul style="list-style-type: none"> <li>• Seating to be provided, with consideration for those with mobility impairments</li> <li>• Refer to <i>Paths for All Outdoor Access Design Guide</i></li> <li>• Potential litter issue: focus should be on responsible behaviour</li> </ul>
Viewpoints	<ul style="list-style-type: none"> <li>• Various opportunities for viewpoints</li> <li>• Natural features should be incorporated</li> </ul>
Education / interpretation / orientation	<ul style="list-style-type: none"> <li>• Both education and interpretation should both be provided, building on existing provision</li> <li>• Information sticks to the facts, but interpretation reveals meanings and relationships</li> </ul>
Gateway signs	<ul style="list-style-type: none"> <li>• Gateway should be provided to orientate people and provide a sense of achievement</li> </ul>
Access for all	<ul style="list-style-type: none"> <li>• Equality Impact Assessment to be updated throughout and consider protected characteristics groups</li> <li>• Ongoing engagement with Inclusion Shetland</li> <li>• Consideration to be given to cyclists and equestrian users</li> <li>• Where access for all cannot be achieved, alternative routes and signage / information to be provided</li> </ul>

### 3. Why invest in the Shetland Way?

This section sets out the case to create the Shetland Way and the project objectives that have been developed. It includes an overview of the process undertaken to develop these objectives along with a detailed breakdown of the problems and opportunities identified through review of the 2019 Shetland Visitor Survey and the programme of public and stakeholder engagement.

#### 3.1 The market

It is expected that the Shetland Way would increase Shetland’s share of the visitor market as an attractive sustainable tourism destination. A VisitScotland Walking topic paper highlighted that the largest age groups of walkers are 55-64 and 45-54 for both the long and short walking markets respectively. However, 25–34-year-olds make up a larger share of the long-distance walking market than the short-distance walking market, so there could be an increase in younger age groups visiting Shetland to walk the Shetland Way if it is established.

Research shows that the increase in interest in UK staycations should continue beyond the past years of COVID-19 restrictions. For example, a survey of 1,015 UK adults highlighted that 71% were intending to plan a UK holiday in the summer of 2021 and into 2022 which offers an opportunity to establish Shetland as a popular destination for staycations within the UK.

Sustainable Tourism holidays such as walking trips were identified in *Scotland’s Economic Strategy* as one of the growth sectors in which Scotland can build on existing comparative advantage and increase productivity and growth. GDP data from 2021 Q3 shows that output in the ‘Sustainable Tourism’ growth sector increased by 22.3%, whereas output across the economy as a whole increased by 1.0%. Compared with the same quarter in the previous year, output in this sector increased by 30.3%, whereas output across the economy as a whole increased by 7.1%, comparing Q3 2021 to Q3 2020.

#### 3.2 Theory of Change

Firstly, the assessment of any investment should be informed by the ‘Theory of Change’ in line with H.M. Treasury *Magenta Book*. The theory of change forms the basis of the economic narrative and assessment for the project. A five-stage logic-chain has been employed to map the initial problems and opportunities through to eventual societal impacts and will be adopted to contextualise these

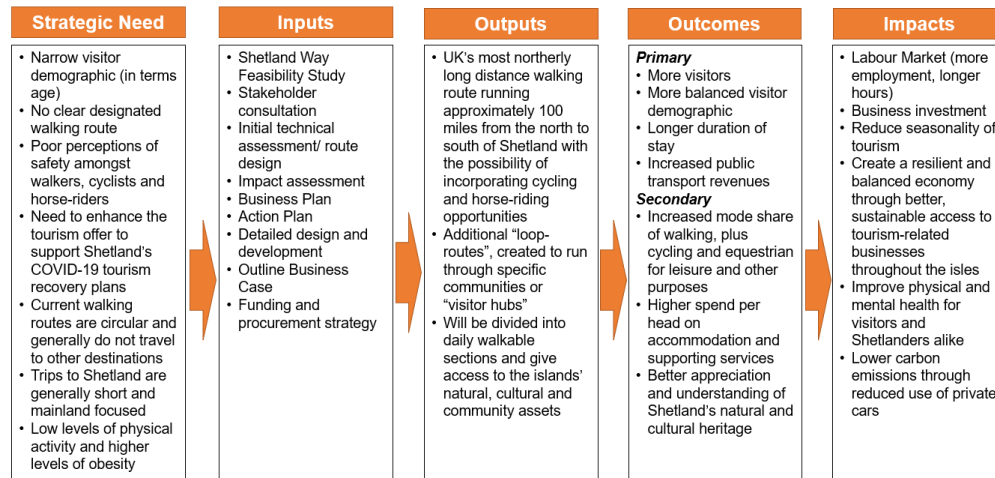




benefits and the potential impacts that the Shetland Way would generate. The main components of the logic chain are:

- **Context - the case for change:** Problems and opportunities that the ultimate solution is intended to address or realise, which defines the rationale for proceeding with the project.
- **Input:** The investment and processes required to deliver the Shetland Way.
- **Outputs:** The output from this work is the Shetland Way itself. Section 6 outlines the potential route options for the main route as well that could be created to run through specific communities or ‘visitor hubs’.
- **Outcomes:** The short (e.g., 1 to 2 years) to medium-term (e.g., 2 to 5 years) results from the Shetland Way, e.g., additional visitors, longer duration of stay etc.
- **Impacts:** The long-term (e.g., beyond 5 years) economic and societal impacts which emerge as a result of the outcomes generated by the Shetland Way, e.g., increased business investment, labour market benefits etc.

The expected outcomes and impacts outlined in the ‘Theory of Change’ are used to set the direction of the impact assessment of the project. The figure above right presents a visual logic map to demonstrate the Shetland Way ‘Theory of Change’.



### 3.3 Economic and social impacts

The main aim behind the development of the project is to attract more visitors to the islands, to encourage visitors to stay longer and spend more, and to return in the future. Walking and enjoying the Shetland scenery were identified as the top activities undertaken by visitors responding to the 2019 Shetland Visitor Survey<sup>2</sup>. 92% of respondents indicated that they undertook walking for leisure during their trip. The Shetland Way offers an opportunity to attract more of the types of visitors who would appreciate the islands’ unique tourism product in a sustainable way and to diversify the profile of visitors coming to Shetland.

In addition to short-term employment during route development, the Shetland Way would support longer-term employment opportunities associated with tourism businesses. This includes provision of accommodation, food and support services including baggage transfer, centralised booking, route guides, transport and annual route maintenance. Creation of a signed high-quality long-distance route would increase awareness of the attractions and sights across the Shetland Islands. This would support the wider distribution of the benefits of tourism throughout the islands by encouraging people to explore new areas which they may not have otherwise visited.

A long-distance route also offers potential to improve access and opportunities for exercise for local people as well as visitors to the islands. Increased walking and cycling activity by Shetland residents as a result of the route would create improved health and wellbeing benefits. Data on use of Scotland’s Great Trails shows that a large number of visitors on these routes are local to trails. For example, in 2014/15 most users of the John Muir Way were on a short trip of less than three hours away from home (85%) and almost half had travelled less than 2 miles from home to reach the path.

Walking for leisure is particularly popular amongst Shetland residents. The results of the ‘Internal Transport Survey’ undertaken to inform of the emerging ZetTrans Regional Transport Strategy shows that walking and cycling rates for leisure-based activities are higher than travel for a specific purpose. Of those surveyed, 47% walked just for pleasure at least 4 times a week. The popularity of walking for leisure in Shetland means that the Shetland Way can make a significant positive contribution to the physical and mental health of Shetland residents.

<sup>2</sup> PowerPoint Presentation ([visitscotland.org](http://visitscotland.org))





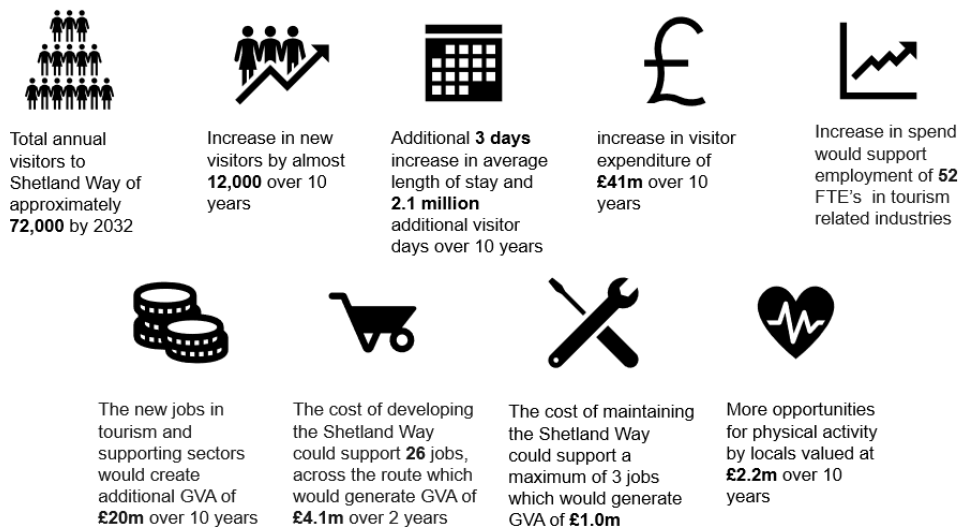
These impacts have been assessed using a combination of quantitative and qualitative approaches. The approaches are outlined in detail in section 7.2 of the main report however we have estimated:

- the increase in visitor spend from new visitors and longer length of stay as well as the resulting FTEs and Gross Value Added (GVA) that this supports
- the job opportunities and associated GVA from the capital investment in route establishment
- the health and wellbeing impacts of an increase in the amount Shetland residents walk and cycle for leisure purposes each week.

Two visitor growth scenarios have been tested:

- **‘Minimum’ visitor growth scenario** – assumed **0.3% growth in visitors** in this scenario based on evidence from comparator case studies
- **‘Moderate’ visitor growth scenario** - assumed growth in visitors in this scenario based on aspirational **3% growth** target.

The Shetland Way is expected to generate the following quantified impacts, if **‘moderate’ visitor growth is assumed:**



The benefits outlined above were compared with the costs to produce a Benefit Cost Ratio (BCR). The Shetland Way BCR is **3.3:1** which is considered ‘high’ value for money in line with the DfT’s VfM framework<sup>3</sup>. In the minimum growth scenario, the BCR only reduces marginally to **3.1:1** so can still be considered ‘high’ value for money.

The Shetland Way would offer potential for a wide range of benefits for local communities including:

- Increased spend from local users of the route. We have assumed that there would be approximately 1,300 trips per annum on the route made by locals. Over 10 years this could generate local spend of **£130,000** which could create new employment opportunities
- Charity and challenge events could also bring participants and spectators into many rural areas of Shetland. These events could provide a significant, short term, economic benefit to a local area. For example, the Hebridean Challenge, which is a 5-day adventure race around the Outer Hebrides, estimated that the event generated £20,000-£25,000 in additional visitor spending in 2007. A survey of attendees also indicated that 69% of those interviewed said that they would definitely return for a holiday in the area in the future.
- A more even distribution of tourism related benefits across the Shetland particularly in more rural areas where there is currently little or no existing visitor activity
- Extending the peak visitor season in Shetland beyond the summer
- Job opportunities from capital investment in route establishment, operation and maintenance
- Inward investment, which would help stimulate business development, job creation and retention in the more fragile areas of Shetland.

### 3.4 Objectives

The problems and opportunities identified in the logic map have been used to develop the project objectives. This was done in consultation with the Shetland Way Steering Group. The project objectives are as follows:

- Increase Shetland’s share of the visitor market as an attractive walking destination and attract new visitors to the Islands.

<sup>3</sup> DfT value for money framework - GOV.UK ([www.gov.uk](http://www.gov.uk))



- Reduce the seasonality of tourism in Shetland by encouraging a greater number of visitors year-round.
- Support a more balanced visitor demographic in Shetland in terms of age, nationality and ethnicity .
- Create a high-quality long-distance route that is accessible for a range of capabilities and ages.
- Create a more resilient and balanced local economy through better, sustainable access to tourism-related businesses to encourage visitors to stay longer and spend more while they are here.
- Encourage a greater spread of the benefits of tourism throughout the islands
- Create routes that support the use of public transport network where possible.
- Generate sustainable growth in the visitor economy to support increased employment opportunities, increased business productivity and the development of new accommodation and other tourism-related enterprises and support services.
- Promote more active and healthier lifestyles for visitors and Shetland residents alike.

The design of the potential route for the Shetland Way has been developed in accordance with VisitScotland's responsible tourism priority pillars<sup>4</sup>, namely:

- Supporting Scotland's transition to a low carbon economy
- Ensuring tourism and events in Scotland are inclusive
- Ensuring tourism and events contribute to thriving communities
- Supporting the protection and considerate enjoyment of Scotland's natural and cultural heritage'.

### 3.5 What does the public think?

To capture stakeholder views and help identify problems and opportunities, the following activities were undertaken:

- A series of one-to-one and group meetings were held with a core group of stakeholders via Microsoft Teams

- Briefing notes along with a request for comments were issued to a wider group of stakeholders

Both the stakeholder and public survey garnered significant and the findings from this exercise were used to support the study and the identification of the preferred route alignment.

The respondents were asked how important a range of features would be in their decision to use the Shetland Way. The three most important features identified were:

- 'Route provides sections between settlements which can be easily walked in a day'.
- 'Signage'
- 'Route fully segregated from vehicle traffic'

Shetland residents recognised that there are significant collective benefits expected from more visitors, greater spend per visitor and a wider distribution of visitors that the Shetland Way could generate in addition to the greater opportunities to walk and cycle for leisure.

### 3.6 Local and National Policy Alignment

Whilst the case for the Shetland Way is being driven at the project level, it is important to understand and detail the wider policy context within which it is nested. The focus of the project is predominantly on tourism, with a view to encouraging more people to visit Shetland to stay for longer. However, its realisation would have ancillary benefits in terms of supporting local economic performance and diversification and in providing a walking route for local residents.

Based on a review of national and local tourism policy, there is a strong underlying policy basis for developing the Shetland Way. The proposed route would create a major new visitor attraction in Shetland, and one which would link up other attractions across the island chain. This would support the desire to increase visitor numbers, duration of stay and spend, and could potentially support the further development of low and shoulder season tourism.

<sup>4</sup> <https://www.visitscotland.org/supporting-your-business/responsible-tourism>



## 4. How much will the Shetland Way cost?

Section	Total Length		Length Rural		Length Established		Cost
	Miles	KM	Miles	KM	Miles	KM	
Sumburgh - Sandwich	14.9	24.0	7.5	12.0	7.5	12.0	£672,000
Sandwich - Scalloway	11.9	19.2	6.0	9.6	6.0	9.6	£537,000
Scalloway - Aith	19.4	31.2	9.7	15.6	9.7	15.6	£873,000
Aith - Brae	13.4	21.6	6.7	10.8	6.7	10.8	£604,000
Brae - Toft	8.2	13.2	4.1	6.6	4.1	6.6	£369,000
Ulsta - Mid-Yell	13.4	21.6	10.1	16.2	3.4	5.4	£762,000
Mid-Yell - Gutcher	17.9	28.8	13.4	21.6	4.5	7.2	£1,016,000
Belmont - Baltasound	11.2	18.0	8.4	13.5	2.8	4.5	£635,000
Baltasound - Hermaness	6.0	9.6	4.5	7.2	1.5	2.4	£339,000
	<b>116.3</b>	<b>187.2</b>	<b>70.3</b>	<b>113.1</b>	<b>46.0</b>	<b>74.1</b>	<b>£5,808,000</b>

### 4.1 Capital Costs

Given the uncertainty over the route alignment and how it will be formed, only high-level costs have been developed at this stage. A rate per kilometre has been prepared based on an estimation of the works required and costs from the 'Estimating price guide' for path projects (2019) by Paths for All<sup>5</sup>. There are two different types of provision, defined as:

- **Rural** – where little existing path infrastructure exists

- **Established** – where routes are likely to be formed using existing paths / footways / tracks etc.

Three levels of provision have been considered for capital costs:

- **Bronze** – generally limited to signage and gates / stiles with localised works focussed on dealing with issues relating to drainage and slopes in rural areas and minimal works in established areas (such as small sections of new path).
- **Silver** – signage and gates / stiles with sensitive works focussed on dealing with issues relating to drainage and slopes in rural areas and some works in established areas (such as sections of new path).
- **Gold** – signage and gates / stiles with more intrusive works focussed on dealing with issues relating to drainage and slopes in rural areas, as well as providing well surfaced sections of path, and more substantial works in established areas (such as longer sections of new path).

The estimated capital costs per kilometre based on 'Silver' provision for route delivery are:

- ~£29k in rural locations
- ~£9k in established locations

By comparison, the 'Bronze' specification is around £15k per kilometre for rural locations and around £4.5k in established locations and the 'Gold' specification is around £41k and around £15k respectively. The table overleaf shows the breakdown of costs per section / route and, at this stage, an optimism bias<sup>6</sup> of 46% has been applied.

The table shows that the overall cost of delivery (excluding labour) for the 'Silver' level of provision is in the region of £5.8 million although this is very much dependent on the extent of infrastructure provided and could be adjusted accordingly once more specific details are known. The 'Bronze' level of provision is around £2.9 million, and the gold level is £8.4 million.

<sup>5</sup> [https://www.pathsforall.org.uk/mediaLibrary/other/english/estimating-price-guide-for-path-projects\\_paths-for-all\\_-rev1-dec-2019-2.pdf](https://www.pathsforall.org.uk/mediaLibrary/other/english/estimating-price-guide-for-path-projects_paths-for-all_-rev1-dec-2019-2.pdf)

<sup>6</sup> Based on Table 8 in TAG unit A1-2, TAG UNIT A1.2 scheme costs ([publishing.service.gov.uk](http://publishing.service.gov.uk))



## 4.2 Operating, maintenance and revenue costs

The table overleaf presents the estimated maintenance costs of the preferred route based on cost per kilometre for rural and established locations. The estimated cost per kilometre for route delivery is:

- ~£684 per km per annum in rural locations
- ~£464 per km per annum in established locations

Element	Unit cost £ (2022)	Rural		Established	
		No. Per KM	Cost Per KM	No. Per KM	Cost Per KM
Litter pick	£0.17	-	£0.00	500	£82.50
Path / verge mowing	£0.39	100	£38.50	500	£192.50
Path clearance	£0.11	200	£22.00	250	£27.50
Unbound surface defect repairs	£3.85	100	£385.00	-	£0.00
Path / verge strimming	£0.33	100	£33.00	100	£33.00
General drainage / flooding maintenance / surface ponding issues	£2.57	80	£205.52	50	£128.45
<b>Total</b>			<b>£684.02</b>		<b>£463.95</b>

Based on the route section lengths and cost information set out in previous tables, the estimated maintenance cost of the preferred route alignment is estimated to be around **£165,000** per annum.

## 4.3 Marketing Costs

The cost of developing a marketing strategy including press visits, web-based promotion, market engagement and other activities could range from **£50,000 to £100,000** depending on the extent of activities. This is based on a review of long-distance case studies and live procurement notices on Public Contracts Scotland

for similar marketing activity. We have also included a 40% contingency allowance given the inflationary pressures that are being experienced across all sectors presently.

## 4.4 What are the costs to progress the Shetland Way to the next stage?

Section 6 outlines how the findings from Feasibility Study should be used as the basis to progress the project. The Steering Group should look to develop an Outline Business Case (OBC) to source funding to support the establishment of the Shetland Way as well the continued maintenance of the route. To access any of the funds, a specific business case in line with H.M. Treasury *Green Book* guidance will be required to secure any public sector grant funding, particularly from the Scottish or UK Governments. We have produced an estimate of the timescales and resources required to develop a OBC for the project. We would expect that that development of the OBC would cost in the region of **£30k-£40k**. This is based on Stantec's extensive experience of developing business cases as well as our understanding of the project.

At OBC stage, the route design would also need to be developed to 'concept design' for the preferred option to the allow an outline specification to be produced and the cost estimated in more detail. The concept design would require the designers to walk the route and undertake an audit. This would have to be undertaken alongside the OBC so as to inform that document and would cost in the region of **£40k-£50k**. Therefore, in total it would cost **£70k-£90k** to progress the project to the next design stage over a period of 9-12 months.

## 5. How will we deliver the Shetland Way?

This section outlines the options for the commercial and management arrangements for the project at a high level. This is based on a review of long-distance route case studies (see Feasibility Report for more detail) and NatureScot guidance for planning and developing long distance routes.

### 5.1 Set up project group, identify roles and responsibilities

A common approach to the management of long-distance routes has been identified based on the review of the case studies. It is recommended that the Steering Group is responsible for the overall delivery of the project, including





financial monitoring and risk management. This is similar to the management of the Great Glen Way and Hebridean Way.

The management of the Great Glen Way is overseen by a large group of local and national representatives and has employed dedicated staff from the outset. The route has attracted large numbers of walking and cycling visitors and has generated increases in spend in the area. The Hebridean Way is managed by a Comhairle (Council) led project Steering Group, which is responsible for the management of the project.

It is proposed that the Steering Group continues to progress proposals for the development of the Shetland Way. The responsibilities of the Steering Group would include:

- Agree the action plan and timetable moving forward
- Consult the general public on the emerging preferred route alignment and negotiate with landowners, crofters and land managers to confirm the long-distance walking route
- Apply for and secure the necessary funding for route development
- Co-ordinate implementation of route proposals.

It is suggested that any major landowners and the Shetland Amenity Trust are invited to join the existing Steering Group to take forward route development. Bringing the major landowners on-board would ease negotiation and routing to take account of potential concerns of landowners and land managers. This can help avoid incursion on grounds, privacy or conflict with farm livestock, croft or other activities. The Shetland Amenity Trust has extensive experience of a range of high-quality heritage and cultural projects in Shetland and would help to maximise the benefits of the Shetland Way.

As part of the next stage of work, the Steering Group would need to develop the Project Delivery Plan to demonstrate that it is deliverable to potential funders. The Delivery Plan would need to identify:

- Clear programme milestones, key dependencies and interfaces, resource requirements, task durations and contingency
- An understanding of the roles and responsibilities, skills, capability, or capacity needed
- Arrangements for managing any delivery partners and the plan for benefits realisation

- Engagement of landowners and the strategy for managing stakeholders and considering their interests and influences

As part of the Delivery Plan, it is recommended that an experienced Project Manager is recruited to co-ordinate further development and implementation of the Shetland Way. The Project Manager would represent the Steering Group and act as the lead for the day-to-day management of the project. The Project Manager should provide advice and assistance in managing all key tasks connected to the project, such as:

- Preparing necessary client briefs
- Managing risks and changes
- Managing project budget and programme
- Appointing consultant(s) or quantity surveyor(s) as required
- Deciding on procurement options
- Seeking project funds
- Managing project recording arrangements
- Carrying out Construction, Design and Management (CDM) regulations and responsibilities
- Liaison with crofters and landowners to negotiate route and confirm details for all capital works necessary for route establishment to recommended standards
- Development and implementation of the monitoring strategy

The Project Manager should have the necessary skills and experience relating to path development, implementation and management. Paths for All has developed a community path contractor list with a list consultants, contractors and suppliers. We recommend that a suitable project manager for this project is drawn from this list.

### 5.2 Understand legal responsibilities and liabilities of the route

The Steering Group and Project Manager would need to consider and comply with the following legislation:

- Occupiers' Liability (Scotland) Act 1960
- Health and Safety at Work etc. Act 1974
- Land Reform (Scotland) Act 2003
- Nature Conservation (Scotland) Act 2004



- Disability Discrimination Act 2005
- Construction (Design and Management) Regulations 2015

Guidance has been produced by NatureScot and Paths for All to help those involved in developing, managing and promoting outdoor access. This guidance would need to be considered as the project design develops.

### 5.3 Operation and Maintenance

It is critical that sufficient resources are allocated to ensure paths on the Shetland Way are kept in a condition suitable for safe use. The maintenance programme should be developed and implemented from the outset of the project, otherwise it will be too late to minimise the long-term cost of managing the path. Some aspects of design can be used to help manage paths more efficiently. For each feature, an acceptable condition or wear limit should be defined, which is used to assess whether items need to be repaired, replaced or upgraded.

The maintenance plan would need to consider two distinct approaches to path maintenance:

- **Planned maintenance** – carry out tasks to a regular routine, to prevent problems before they occur
- **Reactive repairs** – look for potential problems and deal with them – inspection and correction

Typically, it is best to use a combination of the two. For maintenance to be effective, it must be possible to react to unforeseen circumstances in addition to planned work. This avoids a scenario where a path is neglected until it is no longer usable and there is a need to carry out a major repair. The cost of one major repair could fund planned maintenance and would cause inconvenience for visitors who want to use the path. Revenue funders may not be willing to accept the cost of previous neglect which could leave a damaged path and no way of securing the funds to repair it.

It is recommended that Paths for All *Lowland Path Construction Guide* and NatureScot *Upland Path Management Guide* are used to develop the design and maintenance plan for the Shetland Way.

### 5.4 Creating added value for Shetland

Development of suitably spaced accommodation and services to meet the needs of route users will be critical to the success of the route. Active measures would

need to be taken to develop identified accommodation gaps. In order to make best use of accommodation from both the user and provider perspective, and to cater for as wide a range of users as possible in terms of interests, levels of fitness, accommodation and service requirements, it is recommended that a range of possible options are developed tailored to different types of potential route users.

Development of the necessary accommodation and support services is often a stumbling block. Few are ready to set up a business without clear evidence of demand, yet without readily identifiable accommodation of the right type and quality, the number of people using a route can be limited.

Business engagement is important in maintaining two-way communication, flagging-up opportunities for development, and identifying appropriate action to plug gaps in accommodation and services or to address specific issues which arise. Based on our review of experiences elsewhere, it is recommended that a combination of these approaches is adopted, so a mix of workshops and targeted contact with existing and potential businesses.

Accommodation providers and other businesses elsewhere in Shetland can play an important part in route promotion, and in encouraging people to use the route. It is recommended that a series of visits be organised for business proprietors and their staff to enable them to see first-hand some of the route's unique selling points, which experience elsewhere has proven is highly influential in recommendation to other potential visitors. The payback for businesses is that appreciation of local knowledge often encourages return visits and personal recommendations.

### 5.5 Marketing and promotions

Production of an effective marketing strategy for the Shetland Way would be essential to the success of the project. With the notable exception of Wainwright's Coast-to-Coast route in England, and other long-distance established routes such as the West Highland Way whose reputation already generates sufficient levels of interest, the success of most routes in attracting sustained levels of use depends on effective marketing. The Shetland Way has a readily marketable unique selling point as being the most northerly walking route in the United Kingdom and this should be proactively promoted.

Promotion through VisitScotland and the Shetland Tourism Association is an obvious choice, and similarly promotion through other key visitor hotspots such



as the Shetland Museum and transport providers to the islands (Serco NorthLink Ferries and Loganair). The Shetland Way should also be integrated with 'The Islands Passport' project, which provides another reason to visit. Shetland Island Council could also promote the route as a local active travel route.

The Steering Group should look to further develop the marketing strategy for the Shetland Way in the next stage of work as the route alignment and profile becomes clearer. It would make sense to use VisitScotland and the Shetland Tourism Association's experience to formulate the strategy and identify the most effective promotion methods.

A marketing plan will typically include the following elements:

- **Marketing objectives:** The objectives should be SMART (Specific, Measurable, Attainable, Relevant, and Time-bound)
- **Current market positioning:** An analysis of the current state of the Shetland Visitor market concerning its marketing positioning
- **Market research:** Detailed research about current market trends, customer needs, industry volumes, and expected direction
- **Outline of the target market:** Using the outputs from this study we would recommend that Visit Scotland undertake targeted engagements with focus groups to identify the main target audience for the route.
- **Marketing activities:** A list of any actions concerning marketing goals that are scheduled for the period and the indicated timelines. This should include workshops to stimulate provision of accommodation and development of other complimentary business opportunities
- **Key performance indicators** to be tracked
- **Marketing mix:** A combination of factors that may influence customers to visit the Shetland Way
- **Competition:** Identify the other competitors and their marketing strategies. We have identified some of these as part of the Feasibility study
- **Marketing strategies:** The development of marketing strategies to be employed
- **Marketing budget:** A detailed outline of required financial resources to market the Shetland Way

Production of an effective marketing strategy for both long-distance walking and cycling routes is essential to its success. A high-level figure for estimated marketing costs is included in the figures in section 4.3 as marketing and promotion is likely to form part any funding bids as part of the capital route

development, but production of a marketing strategy is part of the next stage of project development.

### 5.6 Visitor market opportunities and needs

Long distance routes provide an appealing challenge, a real sense of achievement on completion, and for many walking or cycling a different route each year becomes an achievable goal. Walking or cycling long distance routes for charity or as part of challenge events has also become increasingly popular with people of all ages. Challenges organised by national charities based on routes such as the West Highland Way and Hebridean Way have helped raise the profile of long-distance routes as well as boosting user numbers.

Any events will need to offer good value for money for the entrance fees, acknowledging the already high costs of getting to Shetland. The West Highland Challenge Race offers competitors the ability to save money on several linked purchases including bag drop, flights, food and drink. In arranging events, organisers would need to consider the following:

- Promotion – online and through media
- Volunteers
- Partnerships with industry, e.g., air and ferry operators, hotels etc
- Bag collection and drop-off services
- Food and drink for competitors
- Recovery services and vehicles for any competitors that require support in case of injury or withdrawal
- Event rules
- Ensure capacity amongst local accommodation and other services.

The final point is critical to the success of the Shetland Way and any future challenge events. The West Highland Way identifies a large number of links to accommodation across the route ensuring that local businesses can benefit from events like these as well as general footfall

## 6. Next Steps

We have outlined the options for the financial, commercial and management arrangements for the project. This is based on a review on other long-distance routes and NatureScot guidance for the planning and development of long-distance routes. The findings from the Feasibility Study, which can effectively be



thought of as a Strategic Business Case, should be used as the basis to develop an Outline Business Case for the project.

We have identified a range of possible funding sources that should be targeted to support the establishment of the Shetland Way as well the continued maintenance of the route. We recommend Heritage Lottery Funding, Places for Everyone (Sustrans) and the Levelling Up Fund have been identified as the most likely funding streams for the capital costs associated with the Shetland Way. The outcomes identified for the project strongly align with the aims of these particular funds. In addition to securing capital funding for the project, there would be an ongoing need to explore sources of funding for revenue and maintenance costs. The Heritage Lottery Funding, Community Paths Grants and Better Places Green Recovery Fund are current funding programmes that are relevant to the Shetland Way. These should be considered further during development of the project business case.

Organisations such as HIE may consider financial support towards further development phases of a Shetland Way. HIE may also support businesses, social and community enterprises which respond to the opportunities the route would bring.

It should be noted that the more funding partners there are supporting the project, the greater the number of organisations that will need to be satisfied. If there are a large number of funders, this will be challenging as there will be competing interests and focus areas across the different organisations.

To access any of the funds, a specific business case in line with H.M. Treasury *Green Book* will be required to secure any public sector grant funding, particularly from the Scottish or UK Governments.

The H.M. Treasury business case process is split into three stages:

- **Strategic Business Case (SBC):** The purpose of the SBC is to establish the rationale for intervention, detailing the problems and opportunities which the business case is seeking to address. It sets out objectives, generates and appraises an initial long list of options, which is refined into a shortlist to be progressed for further consideration. **This Feasibility Study can effectively be thought of as the SBC.**
- **Outline Business Case (OBC):** The purpose of the OBC is to revisit the SBC outcomes in more detail and to identify a preferred option which demonstrably optimises value for money. It also sets out the likely solution; demonstrates its affordability; and details the supporting procurement strategy, together with management arrangements for the successful rollout of the preferred scheme.
- **Final Business Case (FBC):** The FBC is an updated version of the OBC and takes place following the procurement phase of the project to confirm that the project remains on track and provides value for money.

To secure the necessary grant or capital funding for the project, the next step is to progress to the Outline Business Case (OBC) stage. **The OBC arrives at a single preferred option with a clear description of how that option would be funded, procured, managed and delivered.**

In terms of the further development of the Shetland Way and arrival at a preferred option, this would be progressed using the RIBA or Sustrans Places for Everyone activities. At OBC stage, the route design would need to be developed to 'Developed Design Stage' for the preferred option to allow outline specification to be produced and the cost estimated in more detail. Following the OBC and possibly the securing of funding, the designs can then be progressed to 'Technical Design Stage', with the intention for these to be passed over to the contractors undertaking the works.





0	1	2	3	4	5	6	7
Strategic definition	Preparation and Brief	Concept Design	Developed Design	Technical Design	Construction	Handover & Close Out	In Use
<p>Set out the project vision and justify strategic need.</p> <p>–</p> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>• Aims and objectives of the project</li> <li>• Viable business case</li> <li>• Strategies identifying the project</li> <li>• Letter of political support</li> </ul>	<p>Define the <u>scope</u> of the project and develop <u>project outcomes</u>.</p> <p>–</p> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>• Feasibility study</li> <li>• Overall map of the proposals/location plan</li> <li>• Options appraisals</li> <li>• Budget and programme forecast</li> <li>• Equality Impact Assessment (EqIA)</li> <li>• Designer's Risk Register</li> </ul> <p><b>Where appropriate:</b></p> <ul style="list-style-type: none"> <li>• Public Life Survey</li> <li>• Identification of green infrastructure opportunities</li> </ul> <p><b>Construction Design and Management (CDM):</b></p> <p>Partners undertake the role of Client and appoint Principal Designer. Sustrans appointed as Designer to support and influence design development.</p>	<p>Define interventions including outline proposals and preliminary cost information.</p> <p>–</p> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>• General Arrangement drawings (min. 1:500 scale)</li> <li>• More detailed options appraisals</li> <li>• Topographical survey</li> <li>• Updated EqIA</li> <li>• Road Safety Audit (RSA) Stage 1</li> <li>• Updated Designer's Risk Register</li> </ul> <p><b>Where appropriate:</b></p> <ul style="list-style-type: none"> <li>• Visualisations</li> <li>• Multi-modal transport modelling</li> <li>• Plan for a street trial</li> <li>• Overarching urban design strategy</li> <li>• Development of green infrastructure proposals</li> </ul>	<p>Include coordinated and updated proposals.</p> <p>–</p> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>• Updated General Arrangement drawings (min. 1:500 scale)</li> <li>• Construction details (as requested)</li> <li>• Utilities surveys</li> <li>• Drainage proposals</li> <li>• Signage and line markings</li> <li>• Updated EqIA</li> <li>• Revised budget and programme</li> <li>• Updated Designer's Risk Register</li> </ul> <p><b>Where appropriate:</b></p> <ul style="list-style-type: none"> <li>• Signalling proposals</li> <li>• Vehicle tracking drawings</li> <li>• Lighting proposals</li> </ul>	<p><u>Technical Design</u> prepared to include all required information for construction.</p> <p>–</p> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>• Tender drawings, including site clearance drawings</li> <li>• Specification</li> <li>• Contractor procurement</li> <li>• Bill of Quantities</li> <li>• RSA Stage 2 (including Client and Designer response)</li> <li>• Updated Designer's Risk Register</li> </ul>	<p>Construction commences according to programme.</p> <p>–</p> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>• Revised budget and construction programme</li> <li>• Regular site visits</li> <li>• Progress reports</li> </ul> <p><b>CDM:</b></p> <p>A competent Principal Contractor is appointed</p> <p>Ensure Principal Designer and Principal Contractor carry out their duties</p>	<p>Construction is complete and the end of works can be formalised.</p> <p>–</p> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>• Snagging list</li> <li>• "As built" drawings</li> <li>• RSA Stage 3 to be commissioned</li> <li>• Project End Report</li> </ul> <p><b>Where appropriate:</b></p> <ul style="list-style-type: none"> <li>• Any green infrastructure maintained more closely at first to ensure it is fully established</li> </ul>	<p>The project is now being used by the community and is to be maintained for 15 years after project construction.</p> <p>–</p> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>• RSA Stage 4 to be commissioned</li> <li>• Lessons learnt log, completed in collaboration with Sustrans. Informed by assessing the design in use</li> <li>• Ongoing green infrastructure maintenance in line with best practice habitat management</li> </ul>

