

3 May 2019

Infrastructure Commission for Scotland: Initial Call for Evidence and Contributions

Crown Estate Scotland manages assets that stretch the length and breadth of Scotland – seabed, coastline, rural estates and more – to deliver lasting value. We help ensure families, businesses and communities can live, work and thrive on the assets.

Our core purpose is investing in property, natural resources and people to generate lasting value for Scotland.

Our roles, broadly speaking, are:

Investor – investing in property, natural resources and people to generate lasting value for Scotland. This covers capital investment in, for example, property development, as well as developing our staff and strengthening external partnerships;

Enabler – working with others to help them achieve their ambitions through access to property (e.g. leasing land and supporting community initiatives);

Asset manager – this relates to management of leases and agreements, as well as direct management of forestry and the Glenlivet mountain bike trails; and

Coordinator – as the Act is implemented in the months to come, we stand ready to support other managers, for example, in coordinating information.

Across the Scottish Crown Estate that we manage, we aim to deliver excellent tenant service while enhancing revenue and capital value. All our revenue profit goes to the Scottish Consolidated Fund to benefit the public purse, and our [Framework Document](#) sets out our functions, duties and powers.

This response is structured around the four key issues outlined in Annex 1 of the Infrastructure Commission for Scotland's call for evidence [document](#). Links to evidence we consider relevant to informing the Commission's initial evidence gathering and analysis have been included throughout this response.

We would welcome the opportunity to further discuss these contributions and look forward to future engagement and working in partnership with the Commission.

1. The remit and in particular the Commission objectives provide an illustration of some key strategic drivers to an inclusive growth and low carbon economy.

The objectives identified by the Infrastructure Commission for Scotland (the Commission) align with the Crown Estate Scotland's strategic objectives, particularly in the areas of contributing to Scotland's economic, social and environmental wellbeing.

The long-term view (i.e. the assessment of the 30-year Infrastructure Strategy for Scotland) taken by the Commission is welcomed. Crown Estate Scotland are currently developing a new Corporate Plan for 2020-23 and are keen to ensure the content of this plan is supported by the Commission's work on the National Infrastructure Mission and development of the next Infrastructure Investment Plan.

Our corporate plan is likely to focus on

- Helping to building the blue economy
- Innovating with natural resources
- Built environment
- Supporting local management of assets and regeneration of communities, particularly along the coastline

Clarity around the scope of the Commission's assessment on infrastructure strategy and future advice would be welcomed. For example, how will the Commission manage devolved competencies and plan to influence strategy in the wider UK context? Understanding how the Commission intends to interact with other organisations across Scotland (for example the Scottish Investment Bank) and the rest of the UK (for example UK Government, OFGEM, National Infrastructure Commission, National Infrastructure Commission Wales) would bring clarity to the Commission's remit.

2. Infrastructure has a key role in relation to Inclusive Growth and Low Carbon Economy.

Crown Estate Scotland are committed to delivering inclusive economic growth and a low carbon economy. This is reflected in the ongoing work on our [Local Management Pilots Scheme](#), our [Energy System Study](#) and [ScotWind Leasing](#).

We are also exploring how we can contribute to the low carbon economy through work in the Carbon Capture Utilisation and Storage (CCUS) sector. Crown Estate Scotland plays a key role in future development of CCUS as it manages leasing rights to carbon and gas storage on the seabed out to 200 nautical miles. As part of a study funded by Crown Estate Scotland, the Centre for Energy Policy at the University of Strathclyde recently published new research which represents a step towards understanding how CCUS could become an increasingly valuable part of Scotland's low carbon economy. The [report](#) highlights the potential of CCUS to help sustain jobs and build supply chain capabilities, helping the '[just](#)

[transition](#)' to a low carbon economy. The commission should consider these wider factors (supply chain and workforce) when considering the role infrastructure can play in helping to deliver inclusive growth and a low carbon economy. Considering these other factors, the Commission would be able to better assess what the necessary infrastructure investment is to promote CCUS as a way to transition to a low carbon economy and achieve [climate change targets](#).

We would also encourage the Commission to consider the potential that hydrogen presents in terms of transitioning to a low carbon economy. Projects such as [H21](#) and [H100](#) illustrate the opportunity that hydrogen brings in terms of reaching agreed carbon reduction targets. Crown Estate Scotland encourage the Commission to work with Scottish Government and other interested parties to clearly map out the infrastructure required to facilitate a transition to hydrogen as part of the effort to decarbonise energy infrastructure in Scotland. Understanding what existing infrastructure can be utilised and what development is required could encourage the market development required in the sector.

A key area where Crown Estate Scotland can facilitate inclusive economic growth is through the management of leases for telecommunications and electricity cables within the 12 nautical mile limit. The Crown Estate and Subsea UK commissioned [a study](#) on the economic and social benefits of the subsea cable industry in the UK and the findings of this work provide useful background on the positive impact that telecommunications and electricity cables could have on delivering inclusive economic growth. Considering the results of this study, we would be encouraged to see the Commission acknowledge the power of quality broadband connections in rural and remote communities when considering the role infrastructure has in relation to inclusive growth; digital and internet infrastructure can tackle population decline, improve productivity of the land and build diverse and resilient regional economies.

Crown Estate Scotland are keen to contribute to the growing body of work on the Blue Economy, recognising the importance of an integrated approach to marine and coastal development in delivering inclusive economic growth and a low carbon economy.. Offshore renewable energy, infrastructure (e.g. CCUS), ports and harbours, and aquaculture are likely to feature in our new Corporate Plan. These all relate to existing or new infrastructure and so we are keen to stay close to the work the Commission in these areas.

3. The demand and need for the infrastructure assets included in the Commission's remit is considerable and wide ranging.

Crown Estate Scotland would be interested to understand how the Commission intend to influence and shape future demands and needs for infrastructure in Scotland e.g. ensuring the necessary infrastructure is in place to support a low carbon, geographically balanced energy mix. The timeline of Crown Estate Scotland's new seabed leasing for commercial

scale offshore wind ([ScotWind Leasing](#)), with construction from late 2020s, aligns well with the Commission's long-term assessment of the infrastructure strategy.

This is an example of how the Commission could secure an advantage for Scotland, boosting international competitiveness and driving sustainable economic growth.

The work Scottish Futures Trust has put into establishing [Host in Scotland](#) to promote investment in Scottish data centre sector is an example of this. Although not a first mover in this sector (a more mature example of this is the [Host in Ireland](#) project), this is a good example of an opportunity for sustainable economic growth that can be unlocked through targeted infrastructure investment. There is also the example of [The Shefa Network](#); this example demonstrates how infrastructure can unlock the value of Scotland's unique position in the global submarine cable market.

4. Approaches to infrastructure assessment and prioritisation across all the infrastructure assets.

To deliver the commission's objectives, the evaluation and assessment of infrastructure should consider economic, social and environmental considerations with the appropriate metrics used for assessing and evaluating infrastructure investments. Crown Estate Scotland are undertaking a study ([The Value Project](#)) to better understand the social, economic and environmental value of the Scottish Crown Estate. This new approach will assess the possible social, economic and environmental benefits and impacts of future decision making. Findings will guide Crown Estate Scotland decisions on managing the Estate and the approach will be shared externally.

Crown Estate Scotland are again encouraged by the long term view the commission are taking in relation to the assessment and prioritisation across infrastructure assets. Some of our key activities (offshore renewables, CCUS, other blue economy sectors) are important in delivering sustainable inclusive economic growth and a low carbon economy. The infrastructure required to support these sectors requires long-term investment timescales.

Given the drivers and objectives informing the Commission's work, a cross infrastructure sector evaluation approach would appear to be the most meaningful way forward for future assessments. Ongoing efforts to drive inclusive economic growth and a low carbon economy could be better coordinated across infrastructure asset types. The commission has the opportunity to bring these workstreams together and identify opportunities for effective infrastructure investment and future partnership working. An example of a tool already developed bringing two sectors together is the [Scottish Energy Ports Capability Directory](#). This resource can be used for mapping the Scottish ports active in the marine energy industry (oil and gas, decommissioning, subsea and renewables). The emergence of the Blue Economy will further magnify the need for cross infrastructure sector evaluation and assessment. Crown Estate Scotland recently published an [Energy System report](#) which goes

some way in demonstrating how future investment decisions may involve evaluation across a range of sectors.

If you have any comments or queries on this response, please email hannah.whyte@crownestatescotland.com or call 0131 260 6071 to speak to Hannah Whyte, Policy & Planning Manager.