



Offshore Wind Asset Profile

1. Context

Crown Estate Scotland manages property – including buildings, land, coastline and seabed – on behalf of the Scottish people.

We work in a way that:

- Generates prosperity and value for all of Scotland;
- Supports the growth of sustainable business and industry in Scottish seas and on the coast;
- Makes places better for those who live, work and visit there;
- Promotes sustainable ways of producing energy, food, and other products; and
- Creates opportunities for people to use and benefit from the Scottish Crown Estate.

The Scottish Crown Estate Act 2019 requires us to manage the assets in a way that is likely to contribute to the promotion of improvement of economic development, regeneration, social wellbeing and environmental wellbeing. To do this, we need to understand the wider value delivered by the assets and our management activities.



Asset profiles have been developed for the Estate's 21 asset classes. The profiles include information on financial returns, the public benefits delivered through our management activities, and our view of the opportunities for wider value creation.

The analysis has been undertaken in-house, using qualitative assessment and expert judgment.

2. Asset summary

Crown Estate Scotland plays a critical role in the development of offshore wind, primarily by awarding and managing leases, and working with developers and stakeholders to support the wider sector to progress and to build investor confidence.

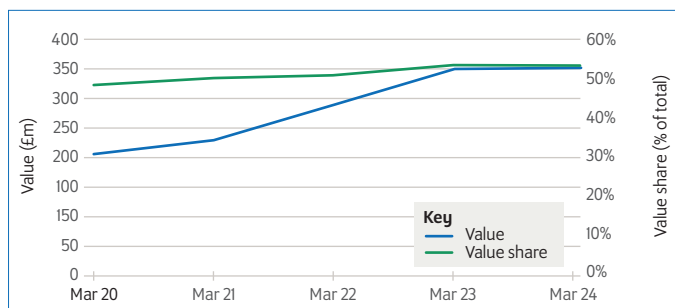
As of April 2024, there are 49 offshore wind projects in Scotland, nine of which are fully operational with 379 turbines and total installed capacity of 2,973MW and with a further 1,332MW in construction.

- 2023 saw the Scottish fleet generate in excess of 6,200GWh electricity;
- 20 projects with a combined intended installed capacity of 28.6GW hold option agreements awarded via ScotWind;
- Supply chain commitments made by applicants which show an average initial commitment of £1.5bn per project of investment in Scotland. Full seabed leases come at a later stage after consents, offtake agreements and financing are in place; and
- The remaining 5.8GW of pre-ScotWind sites include Test and Demonstration, Scottish Territorial Waters (STW) and Round 3 projects at various stages of development.

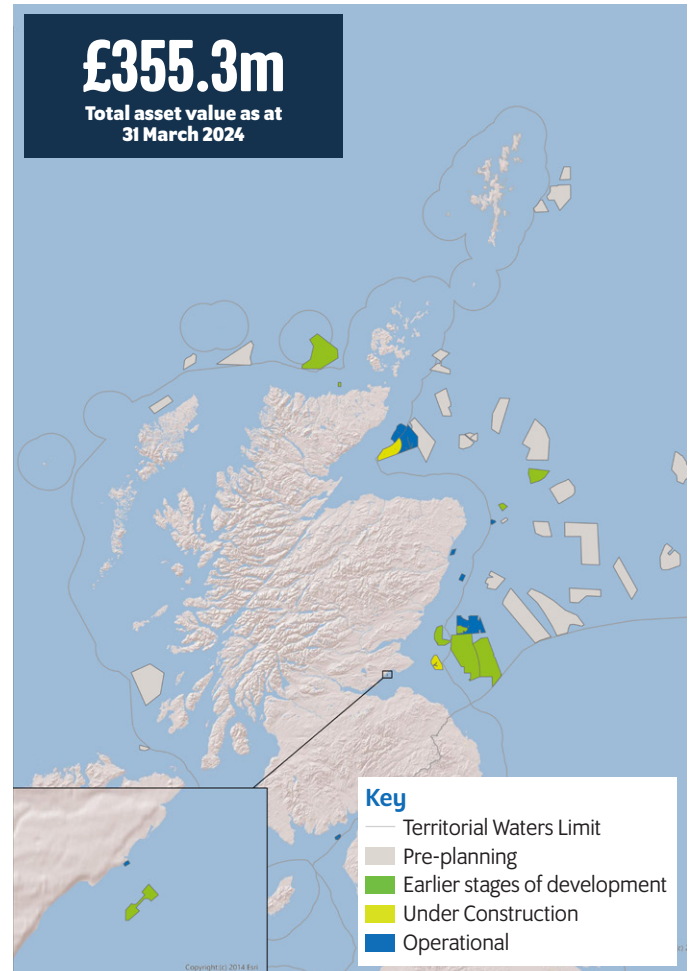
Asset and financial information

Asset information	Value
No of agreements	76
Value (March 2024)	£355.3m
Value share (% of total Estate value, March 2024)	53.4

Offshore Wind – change in value and value share over time

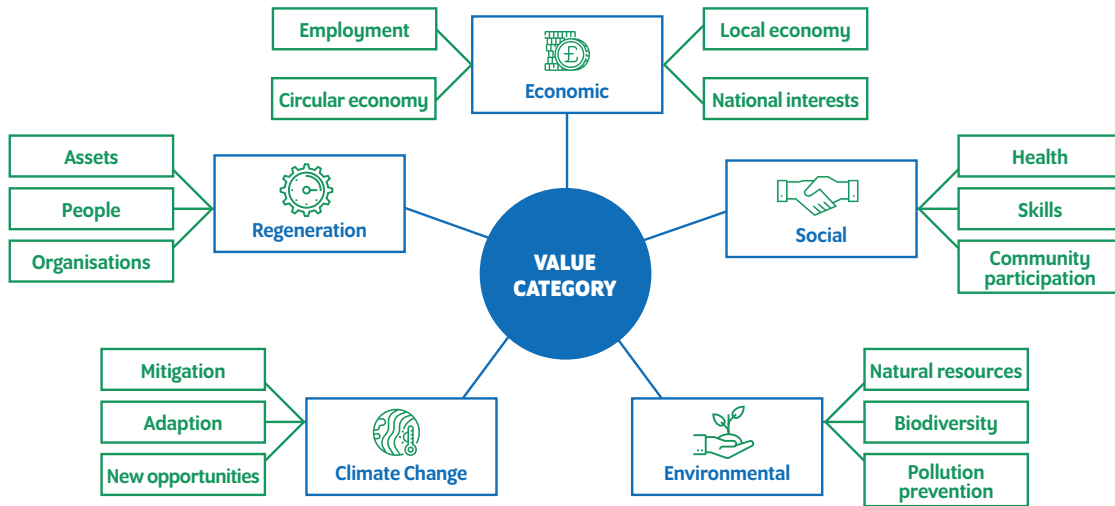


Offshore wind asset map



Map correct as at September 2024. Under the Open Government Licence, we give free access to our open datasets and map which can be found on our [Spatial Data Hub](#) which gives access to view and download spatial data, PDF maps for download, and our [interactive map](#).

3. Understanding Value



Five value categories have been identified:

- **Economic;**
- **Social;**
- **Environmental;**
- **Climate Change; and**
- **Regeneration.**

Each value category has a set of three or four indicators. The indicators are relevant for all Scottish Crown Estate asset classes and also align with Scotland's National Performance Framework and the UN Sustainable Development Goals.

Measures of success

Economic

Employment – jobs created or safeguarded

Local economy – local businesses are active in the supply chain and provide local employment

National interests – benefiting Scotland's national economy / showing leadership

Circular economy – increasing efficiency / reducing waste in processes and products

Social

Health – reflects / promotes good health at local or national level

Skills – stakeholders gain valuable skills

Community participation – community is an active stakeholder and participant

Environmental

Natural resources – resources used / maintained in a sustainable way

Biodiversity – biodiversity is protected/strengthened

Pollution prevention – pollution is decreased / not increased

Climate change

Mitigation – low or zero emissions

Adaptation – actions increase resilience / reduce risk

New opportunities – new, low or Net Zero emissions activities / businesses/products pursued

Regeneration

Assets – positive impacts on associated assets

People – people are enabled or empowered

Organisations – activities involve collaboration with other organisations

Next steps

The Value Project started in 2019 as a direct response to this need to define the wider value of CES's activities.

In 2023, with the help of Savills Earth we completed development of our new Value Reporting Framework (VRF). This framework will support CES to shape data gathering to inform non-financial metrics and will help to inform our future decision-making, reporting, and monitoring processes.

The VRF seeks to measure the value created through all of CES's activities, producing quantitative and qualitative data for investment case decision making and annual reporting.

To achieve this a systematic process for measuring value was developed, in which our five wider value categories – climate change, social, economic, environmental and regeneration – were individually assigned a specific value indicator, with each indicator directly tied to its own value creation metric.

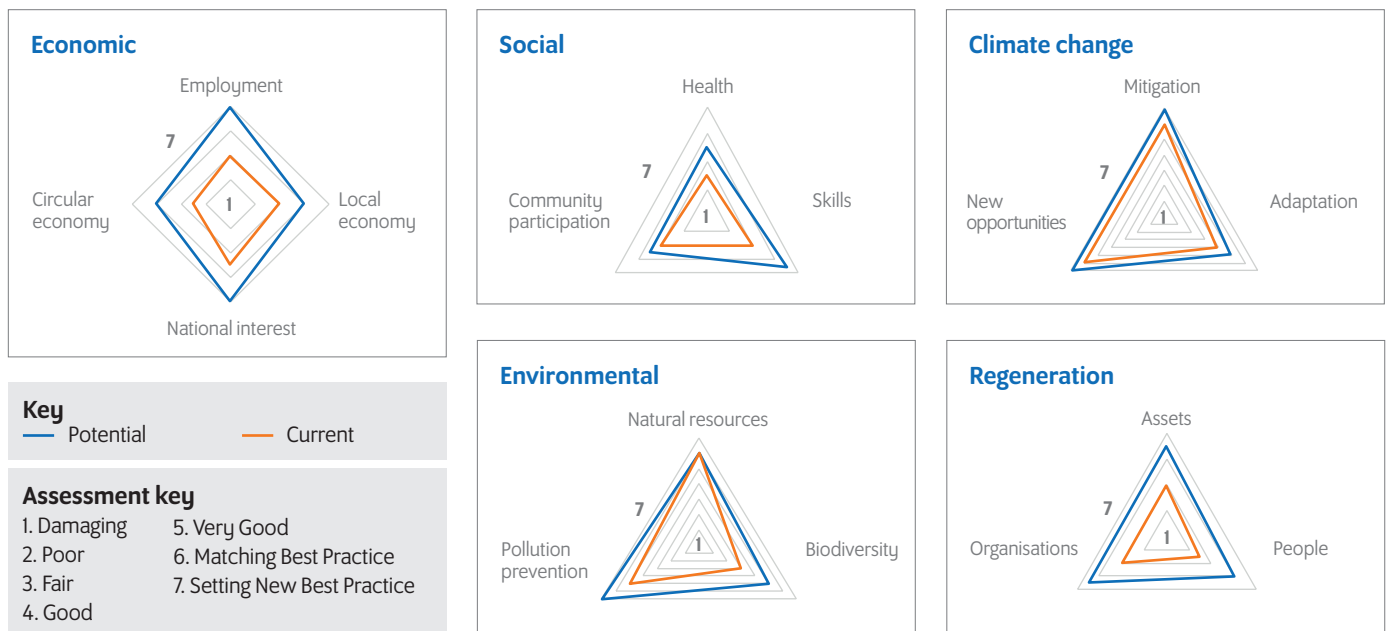
We have now incorporated indicators relating to employment, investment, and social cost of carbon into our annual reporting and further indicators will be added going forwards.

4. Potential for Wider Value

The diagrams below demonstrate the wider value currently generated by the asset class as a whole and indicate where we consider there is potential to deliver increased wider value. This is influenced by a range of factors including the inherent value of the assets, tenant activity, regulator activity and other external factors. For offshore wind, key areas identified with potential for increased wider value include:

- **Environment** – increased use of local supply chain could reduce carbon emissions relating to transportation of turbine and substation components.
- **Social** – significant numbers of jobs are expected to be created as offshore wind deployment increases; UK government has established a Green Jobs Taskforce to address the skills gap.
- **Climate change** – production of green hydrogen using electricity from offshore wind for the electrolysis process. Potential for Scotland to be a focus for floating wind technology.

Opportunities	Threats
<ul style="list-style-type: none"> • Supports Scotland’s transition to a Net Zero economy; • Contributes to Scotland’s climate change targets; • Economic development in communities across Scotland ; and • Creates a competitive, commercially attractive offshore wind sector in Scotland which can deliver both domestically and in the global offshore wind market, with a focus on project development, deeper water capability and innovative technology solutions. 	<ul style="list-style-type: none"> • Potential cumulative effects with environmental receptors and other sea users; • Cost of energy transmission to points of consumption; • Lead-times of availability of energy transmission infrastructure; and • Need to achieve cost reduction in technologies required to access Scottish resource. • Availability of skilled workforce and supply chain capacity.



This full value potential is indicated by the blue line. The actual average performance of the assets as currently managed is shown by the orange line. The opportunity for delivering enhanced value is the stretch between the orange line and the blue line.

Where potential and actual performance are the same the orange line will hide the blue line beneath it. No weighting has been applied to any indicator.

5. Benefits delivered by Crown Estate Scotland

Our 2020-2026 Corporate Plan sets out our four roles:

Investor

Investing in, for example, property development, as well as building external partnerships and supporting staff.

Asset Manager

Careful management of leases and agreements, as well as direct management of forestry.

Co-ordinator

Supporting other Scottish Crown Estate managers by, for example, coordinating spatial information.

Enabler

Empowering others by supporting local plans and projects, providing access to property and helping address barriers to sector growth.

For offshore wind, some examples of our activities include:

Asset Manager

- Requirement for developers to prepare [Supply Chain Development Statements](#) as part of ScotWind to support a sustainable offshore wind sector in Scotland.
- Supply chain commitments made by developers show an average commitment of investment in Scotland of £1.5bn per project.

Enabler

- Funding for projects to support the rapid development of floating wind and green hydrogen technologies, plus other priorities identified by the Scottish Offshore Wind Energy Council.
- Funding for environmental research to improve the evidence base and support more robust decision making.
- Supporting innovation right across the sector, including for [INTOG](#) leasing projects aimed at the decarbonisation of oil and gas production.

The table below presents our assessment of the significance of the benefits that we currently deliver through these four roles. Our Corporate Plan sets out actions against these four roles. Over time, we expect the significance of benefits to increase as considerations regarding wider value are embedded into decision making.

OFFSHORE WIND	Investor	Asset manager	Enabler	Coordinator
Economic				
Employment		Medium	Medium	
Local economy		Medium	High	
National interests		Medium	High	
Circular economy		Low	Low	
Social				
Health		Low	Low	
Skills		Medium	Medium	
Community participation		Low	Low	
Environmental				
Natural resources		Medium	High	
Biodiversity		Medium	High	
Pollution prevention		Medium	Low	
Climate change				
Mitigation		High	High	
Adaptation		Low	Medium	
New opportunities		High	High	
Regeneration				
Assets		High	High	
People		High	High	
Organisations		Low	Medium	

Key

- Inactive
- Low
- Medium
- High

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