

Crown Estate Scotland consultation response
National Planning Framework – Call for ideas
Submitted on 30 April 2020

Crown Estate Scotland manages land and property on behalf of the Scottish Ministers. We invest in property, natural resources and people to generate lasting value for Scotland that creates prosperity for Scotland and its communities. Crown Estate Scotland started operating in April 2017 and pays all revenue profit to the Scottish Government.

Crown Estate Scotland manages:

- 37,000 hectares of rural land with agricultural tenancies, residential and commercial properties and forestry on four rural estates (Glenlivet, Fochabers, Applegirth and Whitehill)
- Rights to fish wild salmon and sea trout in river and coastal areas
- Rights to naturally occurring gold and silver across most of Scotland
- Just under half the foreshore around Scotland including 5,800 moorings and some ports and harbours
- Leasing of virtually all seabed out to 12 nautical miles covering some 750 fish farming sites and agreements with cables & pipeline operators
- Rights out to 200 nautical miles, including the rights to offshore renewable energy and gas and carbon dioxide storage
- Retail and office units at 39-41 George Street Edinburgh

We work with people, businesses and organisations to ensure that assets are managed in a sustainable way.

Our response is based on the questions outlined by the Scottish Government via the consultation portal and the prompts provided most relevant to our interests.

What development will we need to address climate change?

- What we will need to do to reach the target of net zero emissions by 2045.

We are committed to delivering economic, coastal and environmental value for Scotland and are keen for the planning system to support our work in offshore renewables, the hydrogen economy, Carbon Capture Use and Storage and the role of offshore renewables in supporting local energy systems. In addition, we have carried out a [range of work](#) on the application of the Natural Capital Protocol and how it can inform land management decision making. We continue to support a natural capital-based approach as we consider how to ensure the management of our rural estates contributes to achieving net-zero targets.

- The opportunities that this could provide to support jobs and the economy.

ScotWind Leasing

In 2020 we will launch Scotland's first offshore wind leasing round for a decade, aligned with Scottish Government's Sectoral Marine Plan for Offshore Energy.

Scotwind Leasing will deliver a step change in offshore energy generation over the next decade, providing a range of economic development opportunities. To unlock this economic potential, Crown Estate Scotland will require ScotWind Leasing applicants to submit a [Supply Chain Development Statement](#), outlining the anticipated level and location of supply chain impacts from their proposed projects.

There will be a range of associated onshore development required to support the offshore wind that ScotWind Leasing will deliver. For example, Crown Estate Scotland, in partnership with Highlands and Islands Enterprise and Scottish Enterprise, has commissioned research on what the port and harbour needs might be to support the next round of offshore wind development. The research makes a series of recommendations on operation and maintenance, marshalling and assembly, and manufacturing and fabrication infrastructure requirements, on a regional basis.

Improving onshore grid infrastructure is also vital to Scotland achieving its net-zero targets ensuring the network is 'future-proofed' to enable greater low-carbon electricity supply. Clarity on the extent and location of development and improvements required for onshore grid infrastructure in Scotland is needed. NPF4 provides an opportunity to tackle this critical issue in a strategic and cross-cutting way e.g. taking into account Scotland's low-carbon technology mix (onshore wind, offshore renewables), national/regional energy needs and relevant considerations arising from a move to a more coordinated offshore transmission system (as described in [Ofgem's Decarbonisation Action Plan](#)).

Crown Estate Scotland has carried out a study on the economic potential of the floating wind sector in Scotland. The [report](#) reveals potential for 17,000 jobs and £33.6bn by 2050. It is expected that the sectoral marine plan will also include areas suitable for floating wind technology.

It is important for the planning system to be able to support the offshore wind sector, its onshore development requirements and the range of direct and indirect jobs it will be deliver. NPF4 can help to do this.

Local Energy Systems

Crown Estate Scotland has carried out a range of work looking at the potential of [local energy systems](#) supported by offshore wave and tidal technologies. These have demonstrated particular opportunities to provide energy to distilleries, fish farms, oil and gas offshore rigs and local ports. Shetland, Orkney and Islay have been identified as having particular opportunities, offering multiple benefits to island communities.

We are about to publish a study looking at the economic (and wellbeing) impact of a wave and tidal based local energy system in Orkney. The study uses a local multiplier model LM3 to assess

economic impacts, concluding that for every £1 invested, £2.41 equivalent value is provided to the local economy. This comes primarily through local spend concentrated on the island via employees and suppliers and helps to demonstrate the value such systems can provide. Local energy systems can play a role in providing a low carbon option for local energy provision, particularly in off grid areas, helping to address issues with fuel poverty.

Like offshore wind, local energy systems have associated onshore development needs that could be supported by NPF4.

Carbon Capture Use and Storage

Crown Estate Scotland is exploring how we can contribute to the low carbon economy through work in the Carbon Capture Use and Storage (CCUS) sector. Crown Estate Scotland can play a key role in future development of CCUS through our role in leasing rights to carbon and gas storage on the seabed out to 200 nautical miles. Crown Estate Scotland and the Centre for Energy Policy at the University of Strathclyde have published research looking at 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.

We will soon publish a study we commissioned the British Geological Survey to carry out, looking at Scotland's offshore geological CO2 storage capacity. The study provides a concise summary of storage potential around Scotland using the most technically accurate estimates available from existing publications, and the potential opportunities that development of this storage creates.

Our work in this area has the potential to enable economic benefits to Scotland and can usefully inform any approach to CCUS taken in NPF4.

Scotland is uniquely placed to take advantage of the opportunities CCUS presents and its contribution to sustainable economic growth. We would encourage NPF4 to support the development of these technologies, and ensure onshore planning plays its role in realising the ambition in the sector.

With CCUS, offshore renewables and local energy systems helping create a balanced energy mix, Scotland has a significant opportunity to transition to a low carbon economy that will effectively sustain the Scottish economy into the future.

How can planning best support our quality of life, health and wellbeing in the future?

- How we can encourage more people to live in rural Scotland.

Our support for offshore wind development, including supply chain opportunities, and the other energy sectors referred to above will help to support the development of jobs with associated housing and infrastructure requirements in rural areas. This will help to retain and boost rural populations.

Our [2020-23 Corporate Plan](#) outlines objectives and actions to support a range of rural sectors including agriculture and forestry, tourism, renewables, aquaculture and support for innovation and

diversification. All our activity in these areas has the potential to promote the rural economy through job creation, addressing rural depopulation and strengthening fragile and remote, as well as wider rural communities. NPF4 must enable these rural economies to thrive through well planned supporting infrastructure.

Key to people staying in and being attracted to move to rural areas is the opportunity to start businesses and create economic activity; to stay in energy efficient and healthy housing (including opportunities for home and remote working), in the locations they want, connected by a flexible and low carbon transport system and with access to high speed, reliable broadband. The planning system should be able to facilitate and support these development needs in rural areas making it easier for people to live and work there, supporting local aspirations for housing, employment and lifestyles.

Giving communities more responsibility for the management of land can be key to encouraging people to remain in and move to rural areas. Through our [local management pilots project](#) we are trialling an approach to devolving management across the Scottish Crown Estate, providing opportunities for the local authority or community groups to lead on the management of assets. We currently have four local management pilots in development in Orkney, Shetland, and the Western Isles and with the Forth District Salmon Fishery Board. While there are at present no obvious planning requirements, with a focus on offshore leasing management, devolving local decision making is a way to retain and encourage rural populations which, depending on what management is devolved, may have development and planning implications that the planning system should be able to support.

- Whether and where we might need new settlements, and regeneration of existing communities.

Crown Estate Scotland supports the idea of new settlements where the outcomes deliver inclusive, diverse, creative, vibrant, safe, resilient and empowering places for people to live and work. Crown Estate Scotland recently visited the Duchy of Cornwall settlements of Poundbury and Nansleden, where good quality place making is integral to development. Planned strategic development which supports the creation of cohesive communities has the potential to better realise Scottish Government's aspirations. New settlements are of a scale that will support sustainable energy systems, the planning and delivery of infrastructure investments, carbon reduction, climate resilience and strategic environmental enhancements.

Crown Estate Scotland is actively seeking the allocation of a new settlement within our landholdings, offering the opportunity to realise best practice whilst supporting future business, a range of housing models, and educational and health provision. A new settlement would allow development to be directed in a strategically coordinated manner, driving collaborative working between strategic and statutory stakeholders, local and regional partnerships and the community. As our estate is under single ownership, it allows for optimal application of the Place Principle and Place Standard to maximise opportunities for inclusion and sustainable development and puts the wider community's needs as cornerstones of development. In particular, it allows Crown Estate Scotland the opportunity to address local and regional housing needs, demands and tenures as identified in the local authority HNDA, alongside infrastructure and employment needs. And the opportunity to deliver a new settlement through the use of a masterplan consent area, with design codes to deliver diverse, distinctive, sustainable, vibrant and creative places to live and work.

We would welcome the opportunity to discuss our new settlement proposal in detail with the Scottish Government and to understand how it might best fit with and support the development and delivery of NPF4.

What does planning need to do to enable development and investment in our economy to benefit everyone?

- Where significant investment sites might be.

Crown Estate Scotland's investment strategy is set out in our [2020-23 Corporate Plan](#). The total capital investment over the period of the plan will be approximately £70m. We are exploring opportunities that support net zero and where we can take a place-based approach. Such investment priorities may be relevant to the new focus NPF4 will have on regional development, particularly where our priorities join up with and support other investment and development priorities in these places.

In addition to our investment strategy we are in the process of developing a series of funding and support streams, with a place focus. These will include, for example, support for local regeneration and sustainability priorities in coastal areas. These may also support any regional approaches taken in NPF4.

How can planning improve, protect and strengthen the special character of our places?

- What the future might be for our rural, coastal and island communities.

In relation to coastal and island communities, supporting the sustainable expansion of Scotland's blue economy, focussing on marine and coastal development, is a strategic objective in our corporate plan. Our focus is on offshore renewables, aquaculture, and coastal infrastructure and for these activities to deliver tangible benefits to communities, including good employment opportunities. We would be keen to explore how NPF4 might best be able to support our priorities in these areas.

- How we can get the most out of our productive land.

Understanding and analysis of value/sustainability-based evaluation should form the basis for much more strategically targeted planning designations and utilisations. Further to this, Crown Estate Scotland has been leading [trials of the Natural Capital Protocol](#) for land-based businesses. The application of the Protocol has encouraged land managers to consider natural capital enhancing and low-carbon alternatives in decision making. The work we have done in this area might usefully inform any approach to natural capital and use of the environment outlined in NPF4.

What infrastructure do we need to plan and build to realise our long-term aspirations?

- What infrastructure we will need in the future.

As discussed above, there will be onshore infrastructure requirements to support future offshore wind development being taken forward through Scotwind Leasing. This includes, for example, the development and/or consolidation of substations, cabling, grid provision and connection and converter stations. There will be the need for new and extended ports and harbours infrastructure and an associated range of supply chain development. As stated, Crown Estate Scotland is keen to support the development of hydrogen, floating offshore wind, CCUS, wave and tidal energy and local energy systems. All of these sectors have associated onshore infrastructure requirements ranging from onshore energy conversion and storage facilities to carbon capture plant and new pipelines.

We are keen to explore further the potential that hydrogen presents in relation to decarbonisation. Projects such as [H21](#) and [Hydrogen100](#) illustrate the opportunity that hydrogen presents in terms of reaching carbon reduction targets with associated infrastructure requirements that the planning system can support. We support Scottish Government's ambition to publish an action plan for the development of a hydrogen economy, and are keen to provide support where possible in relation to how Scottish Crown Estate assets can help further progress this work (e.g. the opportunity offshore wind presents through 'green hydrogen' production). NPF4 should support the delivery of the hydrogen action plan where relevant to ensure a positive policy and planning context for the development of a hydrogen economy and strategically link these developments not just to existing communities but future planned and likely developments.

A strategic study to inform NPF4 considering the onshore infrastructure needed to support the transition to net zero would be useful.

We would support the collaborative preparation of NPF4 in conjunction with the Draft National Transport Strategy 2 to ensure that national and regional transport investment is coordinated to meet the needs of the rural economy and communities. As part of NPF4, in addition to traditional transport infrastructure investment, we would advocate for the allocation of sustainable and active travel infrastructure, and travel hubs at a Council and National level. This would redress deprivation, support rural repopulation and ensure that the benefits of inward investment in the rural economy are maximised.

Our **Corporate Plan** sets out five strategic objectives with the following three strategic objectives defining our planning and infrastructure priorities:

SO1 – sustainable expansion of Scotland's blue economy. Key actions focus on support for offshore wind; development of emerging offshore renewable technologies; aquaculture development including looking at new sectors such as seaweed harvesting and bivalve shellfish; support for ports and harbours, boat based tourism, deep water facilities for cruise liners and coastal regeneration and development.

SO2 – Invest in buildings and help create great places. Key actions focus on pursuing development options on strategic land holdings (e.g. residential and employment) including exploring opportunities for joint development activities with partners.

SO3 – Promote new sustainable ways of using natural resources to produce energy, food and other products. Key actions focus on supporting more diverse and sustainable agricultural businesses; promoting sustainable use of natural resources, promoting natural capital management; infrastructure to support farming tenants and rural businesses; woodland creation and potential for terrestrial renewables.

It is important to note the breadth of infrastructure we are interested in and that we will support through our investment strategy. These are all types of infrastructure relevant to the planning system and which can be supported by NPF4. In particular they may be relevant to and help support any regional approach set out in NPF4, with NPF4 providing an appropriate mechanism to support their integrated planning.

NPF4 provides an opportunity to take a strategic approach to the spatial provision of infrastructure as well as providing clear policy direction for development. NPF4 can provide a key facilitating and coordinating role for infrastructure needs, helping to identify where and what provision is needed and how it can be supported and delivered through the planning system. In this regard we consider that there is merit in exploring the application of **national development** status to the collective *energy* infrastructure needs outlined in this response. Alternatively, there may be particular sectors that merit national development status including in particular, ports and harbour development, hydrogen and CCUS, building on what is currently set out in NPF3.

On CCUS in particular, we note the proposal that has been submitted by the Scottish Government, and endorsed by North East CCUS, on a CCUS national development. This would support industrial decarbonisation, thermal generation and the production and transmission of large scale low-carbon and renewable hydrogen. Alongside the other comments made in this response, we are supportive of CCUS as a national development. CCUS Infrastructure will help to secure a sustainable future for industries that are currently key pillars of Scotland's economy and that are subject to the energy transition.

We hope this response is helpful and provides a useful overview of the range of work we are involved in and which may be of interest and relevant to the development of NPF4. We would be keen to meet with the Scottish Government to discuss our response and to expand on those areas that might be of particular interest and to examine how they might inform the approach to be set out in NPF4.

Thank you.

