

WRITTEN SUBMISSION FROM CROWN ESTATE

General Comments

The Crown Estate welcomes the opportunity to provide comments on the Climate Change (Scotland) Bill to the Transport, Infrastructure and Climate Change Committee.

The Crown Estate is committed to sustainable development and to working in Scotland, with the Scottish Parliament and the Scottish Government, to help meet the twin challenges of securing the energy needs of the Scottish people and reduction in greenhouse gas emissions, so as to minimise the magnitude and impacts of future climate change.

ABOUT THE CROWN ESTATE

The Crown Estate in Scotland owns and manages around 50% of the foreshore and beds of tidal rivers, together with almost all the seabed out to the 12 nautical mile limit. As landowner of the seabed The Crown Estate has a key role in the delivery of offshore wind, wave and tidal generation projects through the granting of site options and leases. There is approximately £20m of investment proposals in renewable energy in progress across The Crown Estate in Scotland. The Crown Estate has supported innovative energy initiatives, both stimulating and actively investing in the development of offshore renewable and alternative energy for nearly 10 years. Our Rural Estate in Scotland is responsible for 43,000 ha (106,253 ac) of land including 5,000 ha (12,355 ac) of forestry. The portfolio comprises five estates which include 185 agricultural tenancies and 102 residential properties. These are located in Dumfries and Galloway, Midlothian and Moray where our land management activities make a significant contribution to the economy of remote rural areas. We also manage important mineral resources and almost 140 salmon fishing tenancies.

The Crown Estate believes that the ambitions in Scotland to reduce Green House Gas (GHG) emissions through securing future renewable energy supplies, increasing forest cover, improving energy efficiency and dealing with waste are compatible with the aspirations for sustainable management and protection of Scotland's marine and rural areas, which are of direct interest to The Crown Estate. The Crown Estate is active in renewable energy in Scotland across a broad front and is working to identify mitigation and adaptation measures on our properties to help reduce GHG emissions. The Energy Act 2008 which received Royal Assent on 26th November 2008 conferred upon The Crown Estate the rights to the storage of both natural gas (NGS) and carbon dioxide (CCS) under the seabed on the UK Continental Shelf. The Crown Estate has been preparing for this development for some time, including playing its part in the outcome of the UK Government's competition for a demonstration post-generation carbon dioxide (CO₂) capture CCS scheme. Scotland has extensive resources of coal and also significant coal-fired generation plant (particularly on the Forth). The Stern Review (2006) showed that CCS has a very substantial and important role in achieving carbon reduction targets. The Crown Estate is very keen to work with the Scottish Parliament, Scottish Government and other stakeholders to facilitate the development of CCS in Scotland, so that Scotland's reserves of coal may be used for future energy production but in a low-carbon 'clean' emission mode.

The Crown Estate has already invested in geological studies to identify possible safe storage sites around the UK but further detailed work will be required when specific carbon capture projects from designated sources have been identified. This will need partnership working between The Crown Estate, industry and the Scottish Government.

Energy supplies and distribution are an important part of The Crown Estate's work in Scotland (and in the UK). The Crown Estate is involved in the development and facilitation of a very broad and diverse range of energies, with a strong focus on low-carbon, renewable technologies. There are excellent prospects for future energy security and reduced carbon emissions in Scotland, but The Crown Estate believes that more detailed strategic planning would assist conversion of these prospects into actual delivery. The Crown Estate wishes to work closely with the Scottish Government, Scottish Parliament and other stakeholders to realise the potential for a secure and low-carbon energy future for Scotland.

The Crown Estate therefore congratulates the Scottish Government for taking a proactive approach to the Climate Change issue and for the ambitious measures set out in the Bill to meet the carbon challenge. We strongly support the targets set out in the Bill and the statutory framework it establishes for the monitoring, accounting, reporting, reduction and mitigation of greenhouse gas emissions, subject to the comments we have made below in answer to the consultation questions.

Q1 The Bill creates a statutory framework for greenhouse gas emissions reductions in Scotland by setting a 50% reduction target for 2030 and an 80% reduction target for 2050.

What are your views on the 2050 target and a 2030 interim target proposed in the Bill?

The Crown Estate acknowledges the serious threat posed by climate change and the scientific basis for the anthropogenic contribution to changing climatic systems. As a large landowner we further recognise the potential impact a changing climate will have on land use and the need to take action now to help reduce both present and future GHG emissions. We also acknowledge that as a global issue, climate change needs to be tackled at local, regional, national and international scales and Scotland and the UK as a whole have an opportunity to help lead the world in dealing with this issue. It is important to set ambitious targets to reduce GHG emissions to help reduce the possibility that significant changes to natural climatic processes are not amplified by man's activities and to reduce the possibility that certain climate system thresholds are crossed (e.g. systems driving ocean circulation patterns). Such dramatic changes have real potential to make a significant difference to the UK climate.

Scotland has a large wind, wave and tidal resource and a fledgling industry – we believe that with strong political support these sectors can help achieve the targets. Without proper support there is a risk that the market could disappear overseas and the technological advantage we currently enjoy will be lost. The Crown Estate recognises that it has an important role in delivering Scotland's renewable energy objectives. We are working with both the Scottish Government and the UK Government in advancing projects that have the potential to deliver significant energy supply. Planning and consenting, access to the electricity grid, onshore infrastructure (ports, etc) and supply chain are key constraints on the delivery of large-scale marine renewable energy projects. The Crown Estate is working with Governments, industry and others to help overcome these issues. We are also working to support the commercialisation of marine technologies in Scotland and investing in research on the vital improvements to access to the transmission network that would be needed to ensure the targets of the Scottish Government on renewable energy are met.

In Scotland The Crown Estate has supported innovative energy initiatives, both stimulating and actively investing in the development of offshore renewable and alternative energy for nearly 10 years. We are committed to sustainable development and to working in Scotland, with the Scottish Parliament and the Scottish Government, to help meet the twin challenges of securing the energy needs of the Scottish people and reduction in greenhouse gas emissions so as to minimise the magnitude and impacts of future climate change.

Therefore, The Crown Estate agrees with setting a 50% reduction target for 2030 and an 80% reduction target for 2050. We consider these targets very challenging but necessary if Scotland is to make a significant contribution to the mitigation of GHG emissions, to set global standards for emissions reductions and to stimulate the development of alternative technologies to secure a more sustainable future.

Q2 The Bill requires that the Scottish Government sets annual targets, in secondary legislation, for Scottish emissions from 2010 to 2050. It is proposed that these annual targets will be set in batches, the first being for the years 2010 to 2022 inclusive.

What are your views on the setting of targets in batches from 2010 to 2022?

It is the view of The Crown Estate that significant changes to emissions are likely to occur in steps – rather than as a gradual reduction over time E.g. if large scale renewable energy plants are commissioned during a relatively short timescale after several years of planning, research and development. If targets are set in batches as suggested as this will help focus government priorities within these defined timescales to ensure appropriate measures are being put in place to ensure the respective batch targets are met thereby advancing progress towards the ultimate target. If these are

not set there is a danger that successive governments might well put off making hard decisions on the basis that the target timescale is far in the future. This will also help drive technological advances and stimulate research and development which will be needed to help drive long term sustainable economic development and allow diversification into new business ventures.

Q3 The Bill provides that from the year 2020, the annual emissions targets must be set so that each is at least 3% lower than the target for the previous year. Prior to 2020, the Scottish Government has indicated that it intends to set annual targets which build towards delivering emissions reductions of at least 3% each year.

What are your views on this approach or any possible alternative approaches?

This approach sets statutory limits for targets beyond 2020 but not before then. It is important that there is sufficient flexibility in the approach towards target setting to ensure for sufficient focus to be made on adjustments in business processes and to allow for the effects of research and development (both on mitigation and adaptation technologies) and investment in renewable technologies to work through to the economy and impact on the net Scottish Emissions. The Bill provides for a year-on-year reduction in the net Scottish emissions account up to 2020 but there is a danger that a minimum 3% annual target up to 2020 and indeed the longer term targets might not be achievable unless the constraints to large scale renewable energy technologies are overcome. A non-statutory 3% annual emissions reduction target up to 2020 will provide flexibility for Ministers to adjust targets during this period but it is important that progress towards the 50% reduction target by 2030 is not compromised.

Q.4 The Bill introduces the concept of a “net Scottish emissions account” as a point of reference against which the target for reducing greenhouse gases can be measured. It is defined as the net Scottish emissions plus or minus any carbon units credited to or debited from the account. Any units purchased may be used to offset Scottish emissions. Any carbon units generated in Scotland and sold to customers outside Scotland, count as emissions made in Scotland.

What are your views on the proposals in the Bill relating to the net Scottish emissions account, and should there be a limit on the number of carbon units which Scotland can purchase?

The Crown Estate does not hold a particular view on this aspect of the Bill but is supportive of the concept of “net Scottish emissions account”. However we would urge that it is important that measures to balance the account in relation to reduction targets by carbon trading are not pursued in detriment to mitigation measures in Scotland. This would indicate that there should be a limit to the number of carbon units which Scotland can purchase.

Q5 The Bill defines “Scottish emissions”, in relation to a greenhouse gas, as being emissions of that gas which are attributable to Scotland. The policy memorandum states that “Scottish emissions” are defined as being those greenhouse gases which are emitted in Scotland or which represent the Scottish share of emissions of gases from international aviation and international shipping.

What are your views on this definition of Scottish emissions?

If genuine reductions in GHG are to be achieved to help reduce the concentrations of man-made GHG in the atmosphere, then it is important that ALL emissions attributable to human activity within defined geographical boundaries, and those associated with that areas economic or other activity, but which are emitted outside of that geographical boundary, are taken into account. In a globalised economy this can be extremely difficult to quantify. On this basis The Crown Estate would support the definition of ‘Scottish emissions’ in the Bill.

Q6 The Scottish Government has indicated that initially it intends to seek independent, expert advice on climate change from the UK Committee on Climate Change. The Scottish Government states in the policy memorandum that if it determines that the UK Committee on Climate Change does not meet all the advice needed for Scotland, the Bill contains provisions which will allow the Scottish Government to establish a Scottish Committee on Climate Change or to designate an existing body to exercise these advisory functions.

What are your views on the Scottish Government's approach to obtaining independent, expert advice on climate change?

The Crown Estate believes that Scottish Ministers should be able to take what action is necessary in order to obtain independent, expert advice on climate change issues that relate to Scotland.

Q7 The Bill places duties on the Scottish Government requiring that it reports regularly to the Scottish Parliament on Scotland's emissions and on the progress being made towards the emissions reduction targets set in the Bill. The Bill sets out details of these reporting requirements.

What are your views on these proposed reporting arrangements?

The Crown Estate supports the reporting details as set out in the Bill.

Q8 The Bill contains powers to allow the Scottish Government, by regulations, to impose duties on public bodies in relation to climate change, to issue guidance to those bodies relating to their climate change duties and to require that they report upon the discharge of those duties.

What are your views on this proposal?

It is important that public bodies help to lead the way in relation to responses to climate change and that they demonstrate ways forward to reduce GHG emissions and contribute to meeting the targets set out in this Bill. Public bodies are in a position to provide advice and support to the private sector and need to be proactive towards actions to mitigate against climate change. Without clear defined duties public bodies may fail to take appropriate action which might place them out of step with government and the private sector. The Crown Estate therefore supports these provisions in the Bill.

Q9 The Bill places a duty on the Scottish Government to produce a report for Scotland, setting out its objectives in relation to adaptation to climate change, proposals and policies for meeting them and the timescales within which they will be introduced.

What are your views on this proposal?

The Crown Estate supports the provision to produce a report for Scotland setting out its objectives and proposals.

Q10 Muirburn is the act of controlled burning of vegetation on open semi-natural habitats such as muir (Scottish word for moor) or moorland, and includes the burning of plants such as gorse, heather and grass. The Bill contains an enabling power to allow the Scottish Government to vary the permitted times during which muirburn may be made where they consider it necessary or expedient to do so in relation to climate change.

What are your views on this proposal?

Given current understanding of climate change and its effects on moorland there appears to be no strong evidence that the current dates for muirburn need to be varied. The Crown Estate would maintain that issues associated with changing weather patterns and concerns over controlling fires in difficult conditions or burning when the ground is too dry can be addressed through stricter adherence to The Muirburn Code. Indeed by placing restrictions on burning moorland managers may be forced into undertaking burning activities at less than optimal conditions which may have adverse climatic impact than otherwise would be the case. The Crown Estate supports the view that not enough is known about how long-term trends in climate will affect muirburn and therefore we are not convinced that, at this stage, additional powers are required. It is also difficult to see how changes in permitted dates on a Scotland-wide basis would be appropriate, given that there is so much local variation in terms of weather conditions, fauna, vegetation and many other site-specific environmental or management factors.

Q11 The Bill will allow modification by order of the functions of the Forestry Commissioners to enable the Forestry Commission in Scotland to play a greater role in tackling climate change. The immediate intent of the Scottish Government is to take forward proposals relating to renewable energy development on the National Forest Estate and the release of capital from the National Forest Estate for woodland creation.

What are your views on this proposal?

The Crown Estate responded separately to this aspect of the proposals. The Crown Estate supports measures that enable the Forestry Commission in Scotland to play a greater role in tackling climate change through joint ventures and through the development of renewable energy projects on its estate. In order to address issues associated with the provision of additional funding for woodland creation, The Crown Estate would support measures to increase the flexibility available to FCS to manage its assets to raise capital. However depending on how this was taken forward there are potentially significant consequences for the forest industry in Scotland that need very careful consideration. FCS are leaders in the implementation of integrated forest management combining commercial forest management with the delivery of substantial public benefits. Any move that threatens the integrity of the national forest estate through a transfer of a proportion of the estate to private control, would need to take full account of the impacts on future timber supply chains, rural employment, competition with other timber growers (particularly for limited public funding), investment in timber processing businesses and delivery of the Scottish Forestry Strategy, including delivery of biodiversity and environmental targets. The Crown Estate would recommend that if this option were adopted, any transfers (granting of leases) are considered over a phased and extended period, and subject to reservations that ensure sustainable forest management (including timber yields and biodiversity objectives) and consideration for local community needs, regional economic impact and local business activity. The Crown Estate would also urge the Scottish Government to address the issues associated with the Scottish Rural Development Programme to accelerate the uptake of planting and forest management grants to help meet the existing demand from the private sector to increase planting rates in Scotland.

Q12 The Bill requires the Scottish Government to produce an action plan setting out current and proposed measures to improve the energy efficiency of buildings in Scotland, as well as measures to encourage behavioural change.

What are your views on this proposal?

The Crown Estate welcomes the production of such an action plan, particularly one that identifies support and incentives, which help to upgrade Scotland's housing stock.

Q13 The Bill confers powers on the Scottish Ministers to make regulations providing for the assessment of (a) the energy performance of non-domestic buildings; and (b) emissions of greenhouse gases produced or associated with such buildings. The provisions are enabling in nature and the Policy Memorandum provides further information on the Scottish Government's thinking in this area.

What are your views on this approach?

The Crown Estate would support measures to improve the information available to business premises and other owners of non-domestic buildings to allow them to improve the energy efficiency of those buildings. Indeed The Crown Estate is working to improve the energy efficiency of its let housing stock and our business premises. However we would urge that regulation is used as a last resort and any legal requirements should be backed up by appropriate financial assistance or other incentives to ensure such requirements do not unacceptably compromise business enterprise.

Q14 The Bill places a duty on the Scottish Government to take such steps as it consider appropriate to promote the use of heat from renewable sources. The Scottish Government has indicated this provision will enable it to introduce measures it deems appropriate to incentivise the production of heat from renewable sources. What are your views on this proposal?

The Crown Estate supports the measures outlined in the Bill to promote the use of heat from renewable sources. We would also support the addition of a target to increase the amount of heat generated in publicly owned buildings from these sources so as to help stimulate investment in renewable technologies and biomass supply chains.

Q15 The Bill sets out measures aimed at improving waste and recycling. The Bill gives powers to the Scottish Government to make regulations in the following areas:

**Waste prevention and management plans;
Waste data;
Deposit of recyclable waste;
Procurement of recyclate;
Reduction of packaging;
Deposit and return schemes;
Charges for carrier bags.**

What are your views on these proposals?

The Crown Estate supports the provisions in the Bill to promote recycling and reduce waste.

Q16 What are your views on the adequacy of the Scottish Government's consultation in advance of publishing the Bill?

The consultation was adequate.

Q17 Do you have any views on the Strategic Environmental Assessment which was carried out by the Scottish Government out on the consultation proposals?

The Crown Estate does not have a view on the SEA carried out on the consultation proposals.

Q18 Does the Bill raise any equalities issues you would wish to highlight?

No

Q19 Do you have any comments on the impact of the Bill on sustainable development?

It is important that any economically restrictive measures to combat climate change in Scotland are proportionate to the impact that they have on global atmospheric GHG concentrations and that fragile economic activities are not adversely affected in ways that will compromise sustainable economic development – particularly in rural areas. While it is important to reduce GHG emissions, it is also important to ensure that business competitiveness is not compromised disproportionately to the global benefits gained from mitigation measures. The Crown Estate would strongly urge that efforts to hit reduction targets are backed up by support and initiatives which focus on the economic opportunities presented by the climate challenge backed up by research and development rather than an inappropriate focus on regulation.

Q20 Do you have any other comments on the Bill?

No