

Coastal Cables & Pipelines 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

Coastal agreements for cables and pipes are mostly related to public utilities such as electricity distribution and water & sewerage infrastructure. Scotland's public drinking water and sewerage services are provided by Scottish Water. Crown Estate Scotland and Scottish Water have a framework agreement in place that sets out how contracts for non-commercial infrastructure are handled. Scottish and Southern Energy provide subsea electricity cables to island communities and Crown Estate Scotland grants agreements for these seabed crossings.

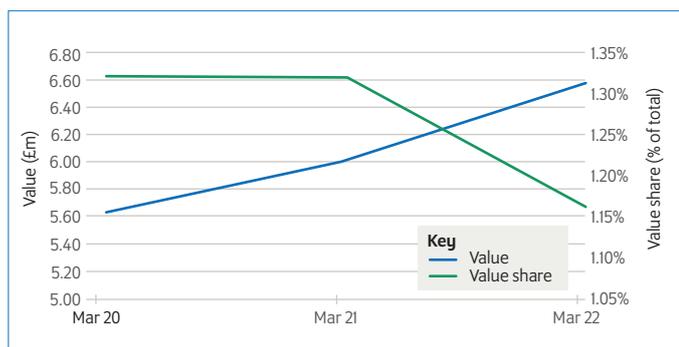
Asset information

No of agreements	747
No of tenants	361

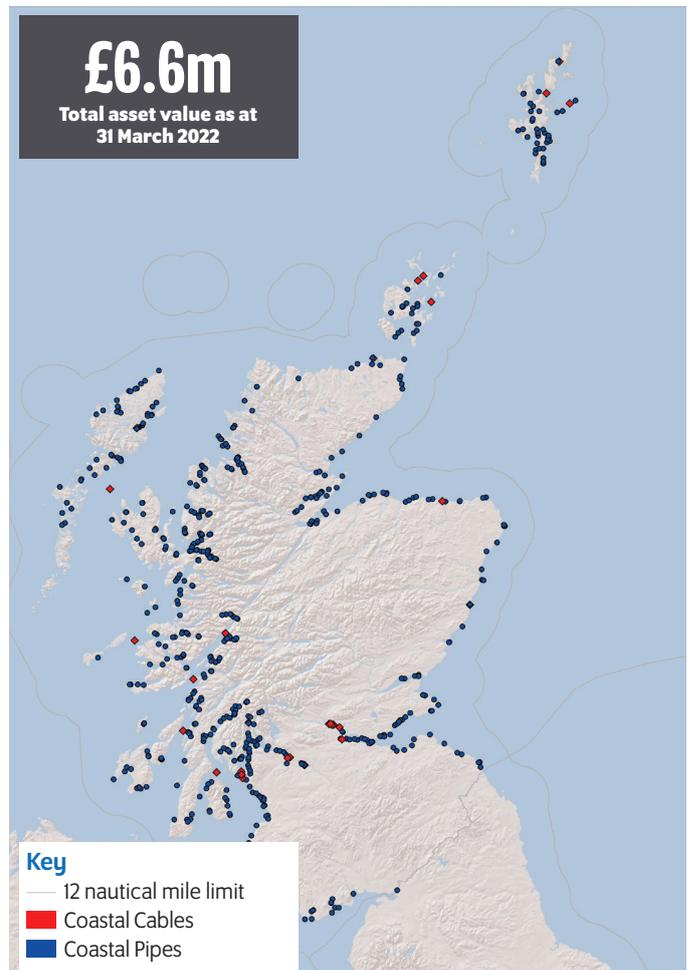
Financial information

Value (March 2022)	£6.6m
Value share (% of total Estate value, March 2022)	1.2

Coastal Cables & Pipelines – change in value and value share over time

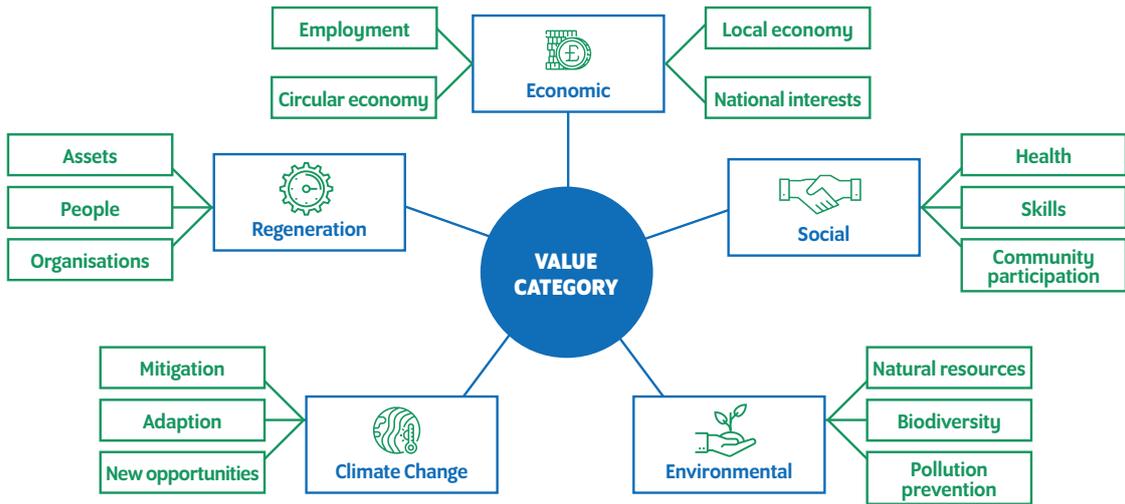


Coastal cables & pipelines asset map



Map correct as at November 2022. 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

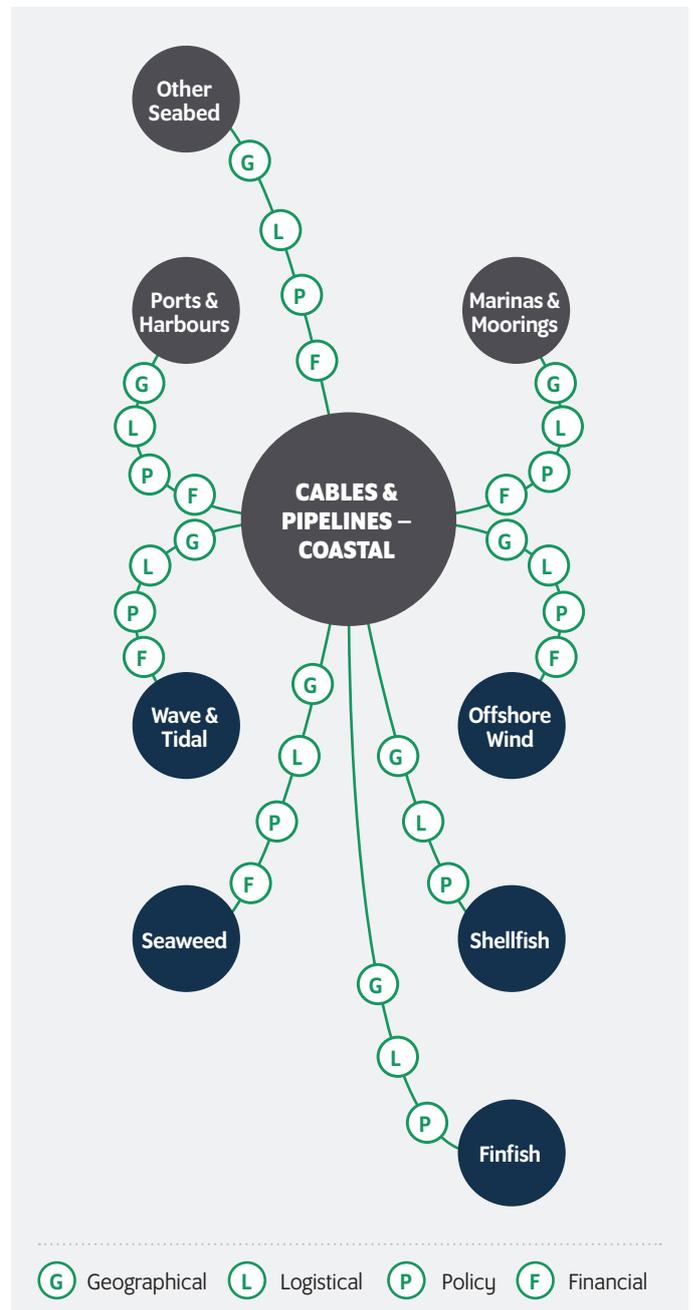
Climate change

- 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

Connected assets



G Geographical **L** Logistical **P** Policy **F** Financial

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 coastal cables and pipelines, key areas identified with potential for increased wider value include:

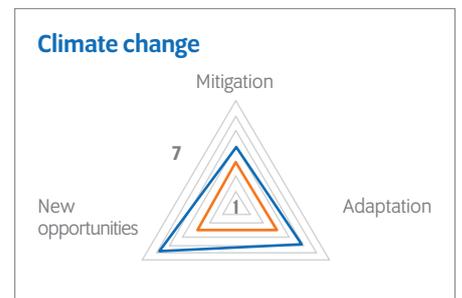
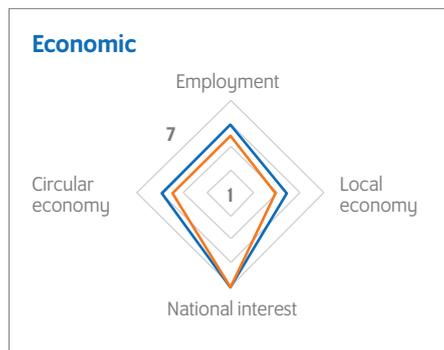
- **Environment** – upgrading of infrastructure can lead to improved environmental performance.
- **Climate change** – upgrading of infrastructure can reduce risk of climate change effects and present opportunities to adopt a low carbon approach.

Opportunities

- The upgrading of cables and pipes can lead to improved environmental performance and robust utility supply.

Threats

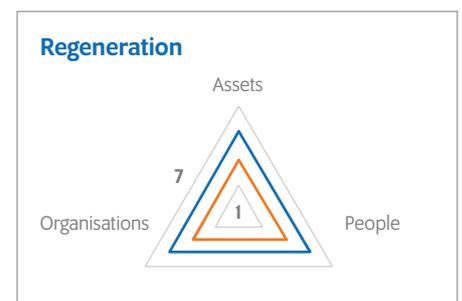
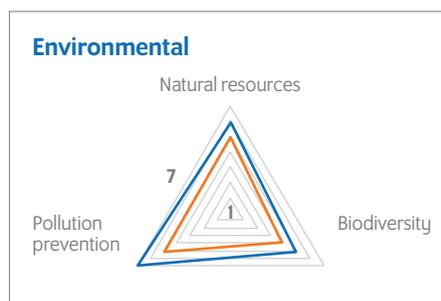
- Ageing infrastructure requiring significant expenditure to replace or upgrade;
- Risk to service to customers arising from failure of a critical asset or assets;
- Risk arising from failure of key strategic water mains resulting in loss of service and significant water damage to surrounding properties and/or infrastructure; and
- Risk of failure to deal with the impact of extreme and unpredictable weather events on its assets, infrastructure and services.



Key
— Potential — Current

Assessment key

1. Damaging	5. Very Good
2. Poor	6. Matching Best Practice
3. Fair	7. Setting New Best Practice
4. Good	



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 latest 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 Coastal Cables & Pipelines some examples of our activities include:

Asset manager

- Managing potential interactions with other managed assets.

Coordinator

- Working with local authorities (Orkney Islands, Shetland Islands and Comhairle nan Eilean Siar) on our local management pilots scheme in relation to the management of seabed assets.

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.

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

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Financial info as of March 2022, other information as of October 2022. Some figures in this profile have been rounded.

Since publishing the asset value figures for 2020, this asset was reclassified so figures here may be different than original, however the total asset value has remained the same.

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