



Friends of the Earth Scotland Consultation Response

Securing the Benefits of Scotland's Next Energy Revolution

25 February 2010

Summary

- The current duties of the Crown Estate Commissioners are inadequate to support delivery of climate change and renewable energy targets at Scottish, UK and European levels
- Whoever administers the property rights of the Crown Estate in Scotland, the revenue should be explicitly earmarked for supporting a just transition to a low carbon economy
- In order to improve accountability, increase community involvement in renewable energy projects, and streamline responsibility for administering renewable energy development, there may be a case for administration of the Crown Estate properties in Scotland being brought within more local control
- The proposal for a community benefit register is welcome. This must be as wide as possible and encompass current as well as future energy developments
- Communities should be fully informed and encouraged to properly participate in planning decisions. Alongside this there should be incentives for community owned, cooperative renewable developments
- There are a range of practical measures that could help maximise beneficial renewable development on public sector land. These include local authority led mapping and project development, the use of incentives such as council tax and non-domestic rates, support or grants for community groups, and implementation of the 'merton rule'.
- While there is detailed analysis of Scotland's oil and gas revolution in the 1960s it is concerning that no analysis is given of the economic restructuring that occurred within Scotland and the UK in the 1980s. A Scottish Forum for a Just Transition should be set up to ensure clarity between stakeholders and prevent the mistakes of the past being repeated
- There is a lack of discussion within the consultation as to how the benefits of Scotland's next energy revolution can be shared equally among our communities and benefit the most deprived in our society
- There is no mention within the consultation of using the benefits of Scotland's next energy revolution could contribute to work overseas

Format of response

This response deals, in turn, with the five proposed actions within the consultation. We then offer further suggestions in order to encourage deeper debate and consideration.

Action 1: Reform of the administration of the Crown Estate in Scotland

There are various issues around the Crown Estate in Scotland including function, accountability and revenue.

In relation to function: Friends of the Earth Scotland believe the duty of the Crown Estate Commissioners, to maximise revenue from and enhance the value of assets, does not

properly support delivery of Scotland's climate change targets nor benefit the poorest in our society. It is of interest in this regard that the Crown Estate Commissioners are not subject to the general climate change duties impingent on Scottish public bodies in the Climate Change (Scotland) Act.

In relation to accountability: an administrator that operates to benefit the Westminster Treasury may not be responsive or accountable to Scottish nor regional needs. While we can therefore see arguments for the devolution of greater power to Scotland, Andy Wightman and the Scottish Government have identified methods in which to do this during the scrutiny of the Scotland Bill, the consultation sometimes seems confused between people, public and Government. Simply transferring accountability to the First Minister or Scottish Government may not necessarily improve accountability. A Scottish Commission reporting to the Scottish Parliament may provide greater accountability, although greater opportunities for further local and civic involvement should be explored. Having said this, we believe the stakeholders involved are better placed to identify who is best placed to administer the Crown Estate in Scotland in terms of accountability and skills.

In relation to revenue: The revenue stream should be used to support delivery of climate change and renewable energy targets at Scottish, UK, and EU levels. Given Scotland's exceptional renewable energy potential it would make sense for the revenue to be recycled in Scotland.

Given the large and cost effective carbon savings possible through home insulation, energy efficiency and energy conservation measures this should be promoted as a priority. In addition, participatory budgeting processes should be explored. By allowing local communities to take control of decision-making, creative and innovative local solutions may be identified.

Action 2: Creating a Future Generations Fund

We would support the creation of a future generations fund provided that it has principles of social and environmental justice at its heart. We believe investment is needed now to meet Scotland's climate targets while increasing resilience and fairness within our society. If we do not take action to tackle these issues we will face ever-rising fuel and food prices and greater numbers in fuel poverty. Rather than saving up money, the Future Generations Fund should invest as soon as possible in projects that decrease carbon emissions, increase the resilience of communities at home and abroad and improve social justice. Demand reduction would have to be a priority of any fund so that the economic benefits of renewables are not simply recycled into renewables but invested in such a way that maximizes the use of renewable energy and brings other benefits. Area based energy efficiency improvements to housing should therefore be a priority. We believe that by investing in this way sustainable returns and savings can be created to invest further.

The risk of climate change and the environmental consequences of an offshore accident mean we do not support deepwater fossil fuel exploration or efforts to maximise the exploitation of existing oil and gas fields. We need to rapidly transform the way we produce and consume energy within our economy away from fossil fuels. In this context the future generations fund should only fund renewables development (particularly community based renewables) and energy saving measures such as home insulation schemes. We would not support a future generations fund that invested in fossil fuels or environmentally destructive projects.

Action 3: Creating a "register of community benefit"

We support a register of community benefit. Evidence from voluntary measures such as the local authorities climate change declaration suggests that unless this is mandatory some actors will not participate. The register should therefore be mandatory. We would also support it being as wide as possible, including existing as well as future energy developments.

Action 4: Enhancing community benefit within the planning system

Local community involvement in the planning system is crucial. Developers and planning authorities must make every effort to properly inform communities about proposals and allow them to fully participate in decisions.¹ Community benefit clauses are also important and consideration should be given to linking these to company profits (this could be done in relation to a companies general turnover or from the profits they generate as a result of the particular site).

More consideration within the consultation should have been given to community owned and cooperative renewable energy models. As can be seen through examples such as Eigg and Fintry these models can have a transformative potential by allowing the income from renewable development to be recycled into other projects that further cut carbon emissions (such as home insulation schemes) or benefit the community in other ways. With this in mind we it may be worth looking at a tiered approach to the planning system whereby community owned, cooperative, charitable and social enterprise projects are given support and encouragement.

There are however questions around who the local community are in certain areas, particularly in relation to offshore developments, and given the nature of climate change it must always be remembered that the 'community affected' can be a global one. Government, local authorities and public bodies must continue to play an active role in action to meet Scotland's climate change targets

Action 5: Maximising community benefit opportunities from renewables project on Scottish land owned by the public sector.

Public bodies are now under a statutory climate change duty as part of the Climate Change (Scotland) Act. They must therefore be encouraged to support or develop renewable energy projects wherever practical and wherever possible.

There are a range of ways in which public bodies could do this. An appraisal of possible sites for renewable development could be an important first step and consideration should be given to local authority led renewable energy projects.

Innovative incentives whereby community groups or businesses are encouraged to develop renewable energy projects could also have an important role. This could include lowering rent through council tax and non-domestic rates. For community groups practical support or grants should also be considered, including options that allow lower prices through bulk purchasing.

To stimulate the microgeneration industry local authorities should also implement the 'merton rule' whereby developers are required to provide new houses with a certain percentage of renewable energy.

¹ Along with access to justice, the right to information and the right to participate are two of the 'pillars' set out in the Aarhus Convention. The UK is a signatory and there is an obligation on the Scottish Government and developers to ensure these pillars are adhered to.

The proposed Scottish Water consultation also offers an opportunity to turn Scottish Water into a major renewable energy provider.

6: What other options are there for securing community benefit from renewables and other low carbon energy developments?

- **Just Transition**

While there is detailed consideration of the oil and gas revolution in the 1960s and 1970s it is surprising, and concerning, that no mention is given to economic restructuring in the 1980s as Scotland and Britain moved away from coal production. With this in mind a Forum for a Just Transition should be set up to work on sharing the benefits of Scotland's next energy revolution. This would encompass national and local government, community groups, businesses, environmental groups, trade unions, and poverty groups. Such a Forum would build trust, allowing participants to have a clearer picture of others aims and expectations. Being led by Government but encompassing diverse views and interests it would ensure common participation in a shared vision of a fair, prosperous Scotland. We envisage such a process on a national basis although these fora could also operate on a regional basis.

- **Benefitting communities at home**

Communities in Scotland need to have a stake in the future of Scotland's next energy revolution. In this context more consideration should be given to different models of energy production such as local ownership and cooperatives. There is also a need for local communities, particularly the most deprived within those communities, to be more involved in decision-making, whether that be through greater information and consultation or through processes like participatory budgeting.

- **Benefitting communities overseas**

We are also concerned that no consideration in the consultation is given to benefiting communities overseas. Scotland has been a significant contributor to climate change and is still disproportionately causing the problem which impacts upon developing countries in the South worst of all. At the same time it is widely recognised that we have some of the best renewables potential in Europe. As the consultation says we have hit the 'energy jackpot'. The wealth that this creates should be shared with those developing countries that need it most.

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