

Mathew Gordon  
Via email



Our ref: FOI/15/01159

23 July 2015

## REQUEST UNDER THE FREEDOM OF INFORMATION (SCOTLAND) ACT 2002 (FOISA)

Dear Mr Gordon

Thank you for your request dated 27 June 2015 under the Freedom of Information (Scotland) Act 2002 (FOISA).

### Your request

Why has GERS allocated oil & gas revenues to Scotland on a geographical basis, yet Crown Estates revenues to Scotland on a population basis?

### Response to your request

The current methodology for apportioning both oil and gas revenue and Crown Estate revenue to Scotland in GERS was set as part of the GERS review in 2007. There are a number of reasons why a more detailed estimation was adopted for oil and gas revenue compared to revenues such as those from the Crown Estate.

Firstly, at the time of the review, UK North Sea revenue was approximately £8 billion, whilst UK Crown Estate revenue was approximately £200 million. The majority of North Sea revenue was also believed to arise from Scottish waters. Improving the estimation of oil and gas revenue therefore had a large impact on the estimate of Scotland's overall fiscal position.

Secondly, relatively limited information was available for the Crown Estate's operations in Scotland. The Crown Estate ceased keeping separate accounts for Scotland in 2001-02 when the Scottish division was closed as part of business restructuring. Scottish information had only recently become available again at the time of the review.

Finally, users at the time indicated that they were more concerned with estimation of oil and gas revenue than Crown Estate revenue.

Following the recommendations of the Smith Commission, the Scottish Government is aware that there is increasing interest in the operations of the Crown Estate in Scotland. Further work is planned to more accurately capture the revenues associated with the Crown Estate's operations in Scotland in GERS. This work could not be completed for GERS 2013-14 due to the resources required to adopt the new ESA10 reporting requirements. However, it is expected to be introduced for the GERS 2014-15 publication.

If you are unhappy with this response to your FOI request, you may ask us to carry out an internal review of the response, by writing to the Chief Economist, St Andrews House, Regent Road, Edinburgh, EH1 3DG, or emailing [Gary.Gillespie@scotland.gsi.gov.uk](mailto:Gary.Gillespie@scotland.gsi.gov.uk). Your review request should explain why you are dissatisfied with this response, and should be made within 40 working days from the date when you received this letter. We will complete the review and tell you the result, within 20 working days from the date when we receive your review request.

If you are not satisfied with the result of the review, you then have the right to appeal to the Scottish Information Commissioner. More detailed information on your rights is available on the Commissioner's website at: [www.itspublicknowledge.info](http://www.itspublicknowledge.info).

Yours sincerely,

Iain Pearce

Office of the Chief Economic Adviser  
Scottish Government