

## Local Pilot Scheme Q and A – July 2018

### How do I know if my organisation is eligible to run a Pilot Scheme?

In the [Criteria and Process document](#) we list a number of different types of organisations we think may be suitable to run a Pilot Scheme. This is not an exhaustive list, nor a guarantee of eligibility.

Your organisational set up should be:

- Sufficiently robust to be able to appropriately manage any transactions
- Accountable to the community it works with or in
- Have a geographical or relevant association with the respective assets
- Able to evidence community and stakeholder support for the scheme
- Suitable to the scale and type of scheme you want to run

### How do I know which existing leases are in my area and how do I know who the existing tenants are?

Crown Estate Scotland:

- Is responsible for managing a range of rural, coastal and marine assets, as well as some commercial property
- Leases land and property to around 2000 individuals and businesses, working with them to help them succeed
- Supports aquaculture, farming, forestry, tourism and offshore renewables through leasing, research and other activities

In line with GDPR legislation, we are unable to provide the name or details of our tenants without their explicit permission on each occasion. It is possible however to see the location and nature of our existing agreements on our interactive map (see [here](#)). In instances where you do not know who the existing tenant is, at Stage 1 we will accept a high level outline plan of how you intend to engage with and consider the impacts on any existing tenants. Further detail will be considered on a case by case basis at Stage 2.

### How do I know where the Scottish Crown Estate land and property rights or boundaries are?

The Scottish Crown Estate includes:

- 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 and virtually all seabed out to 12 nautical miles, with agreements in place for 750 fish farming sites, over 5,000 moorings, cables & pipelines, ports & harbours and renewable energy developments
- The rights to offshore renewable energy and gas and carbon dioxide storage out to 200 nautical miles
- Retail and office units at 39-41 George Street Edinburgh

The [interactive map](#) on our website can be used to identify the rural estates under our management and areas where we have certain agreements in place on the foreshore and seabed. Not all of the Estate is leased to tenants, for example much of the foreshore has no lease agreements over it.

Due to the complex nature of boundaries we cannot list or map all of the land and property not currently under lease on our website. If you have an idea for a Pilot, please get in touch as soon as you can and we will help identify the range of assets involved, including advising whether it forms part of the Scottish Crown Estate.

### **How do I measure the impact of my Pilot?**

We have suggested, in the Pilot Scheme guidance, that you use a range of appropriate and relevant standards to measure the impact of your scheme. For example the [Scottish Government's National Outcomes](#) are a useful starting point, and you should consider using metrics that are most appropriate to your scheme aims, for example the monitoring tools that Scottish Natural Heritage have outlined for [Scotland's Priority Marine Features](#) and our own [key performance indicators](#).

Other helpful tools include the Scottish Government's [well-being indicators](#) or using a [conflicts matrix](#) technique to show how improvements have occurred over time. [Streamline](#) is an open source tool which has been widely used to help articulate measurable community visions.

NB: You should not be trying to achieve every one of these indicators. Whatever tools, or combination of tools, you choose to use, select the aspects most relevant to your scheme and focus on measuring those.

### **How will Crown Estate Scotland help me?**

Tom Mallows is our Local Pilots Manager. He is contactable by email on [pilots@crownestatescotland.com](mailto:pilots@crownestatescotland.com) or by telephone on 0131 260 6070. Tom can assist with your application, including helping to identify whether or not your scheme proposal could be a pilot, or whether an alternative approach such as a lease agreement or a purchase of an asset/part of an asset is best suited to your objectives and Crown Estate Scotland's requirements/business objectives.

### **How can I pay for running my Pilot Scheme and what happens to any revenue generated?**

An applicant can request appropriate remuneration to help cover the costs of running a Pilot Scheme. Although some of the income generated from the assets under management may, by agreement, be retained to meet revenue costs (such as legal and professional fees, insurance, maintenance and repairs etc), all surplus revenue (gross income minus costs) generated from rents and income from licences or other agreements must be surrendered to Crown Estate Scotland in order that it may comply with its legislative requirements.

Applicants can also request to invest capital that Crown Estate Scotland controls, including capital made by activities within the Pilot Scheme. Please think carefully about the costs involved and ensure your application contains realistic and reasonable estimates both for the management fees, costs and any capital reinvestments. It is also important to demonstrate that any investment can be justified in terms of anticipated returns, and relevant investment criteria, bearing in mind our [corporate plan](#) and the statutory duty to maintain and enhance the value and revenue from the Scottish Crown Estate. We realise that asset management may be new to many people so please get in touch as soon as you can to discuss your scheme.

### **How will competing schemes covering the same geographical area be judged?**

Crown Estate Scotland will get in touch with those who have schemes adjacent to one another, or covering the same geographical area, to encourage applicants to work together to come to an agreement about the best way to proceed. They will then be judged by the criteria laid out in the guidance and their impact weighted according to the tables in Annex E of the [criteria and guidance](#).

### **Can a scheme be used to ‘close’ an area of seabed?**

The Pilot Scheme is designed to encourage innovative, proactive management of the Scottish Crown Estate in order to discover new ways to contribute to the sustainable development of Scotland as a whole. Sterilisation of an area to development *per se* does not necessarily foster innovation and would only be considered as part of a strategic approach which delivered against the criteria in the guidance.

### **My scheme doesn’t aim to make money, is it still eligible as a Pilot Scheme?**

The Scottish Crown Estate assets are a national resource. They are not owned by Crown Estate Scotland, we are the entity tasked with a statutory duty to manage them on behalf of Scottish Ministers in a way that ***maintains and enhances their value and the return obtained from them***. We will need to continue doing this whilst we are tasked with this responsibility, so schemes that achieve this will fit more easily with our own corporate objectives.

If your scheme has no way of creating any financial return but improves the asset or uses it to deliver wider public benefit in some way – be it socially or environmentally - we would still very much encourage you to consider a compliant application and to discuss your idea with us.

### **If we take on management of our local Scottish Crown Estate can we block or cancel leases we don’t agree with?**

All existing tenancies will continue to be valid, and to operate in accordance with their existing terms, regardless of the managing organisation. All new leases will be subject to relevant regulatory process and legal considerations appropriate to their aims, type and nature, for example local authority planning permission and/or Marine Scotland and Scottish Environment Protection Agency licensing. Processes will need to be put in place, in line with those operated by Crown Estate Scotland to manage lease renewals, voids and new lettings. A decision to withhold the granting or renewal of a lease would need to be considered in compliance with the regulations that govern Crown Estate Scotland to ensure this does not breach legislative requirements.

Creating or working with the appropriate statutory planners to agree a strategic plan for your area will however help you to attract the types of development which are in keeping with the desires of the local community, and we encourage potential applicants to think about how this might be achieved.

### **How long can a Pilot Scheme run for?**

The duration of a pilot scheme should be appropriate to its nature. Once the process to legislate for the long-term arrangements for the Crown Estate in Scotland (see [here](#)) is complete we will be clearer on the future of any pilot schemes still running.