

## Public Services Reform (Scotland) Act 2010

The Public Services Reform (Scotland) Act 2010 requires us to publish certain information on our expenditure. This promotes openness and transparency across the Scottish public sector.

### **Crown Estate Scotland<sup>1</sup> Statement of Expenditure 2017/18**

- [Payments in excess of £25k](#)
- **Public Relations/Marketing** – £220k
- **Overseas Travel** – £3k
- **External Consultancy** – £414k
- **Hospitality & Entertainment** – £10k

Expenditure on Public Relations includes:

- Advertising, marketing and branding
- Social media
- Design work and publications
- Donations and sponsorship
- Subscriptions
- Event management
- In-house staff costs
- Any other promotional activity

Members of staff who received remuneration in excess of £150,000 (does not include receipt of pension, voluntary severance compromise agreements or redundancy payments): 1 (see p47 of the [2017-18 Annual Report & Accounts](#)).

Ronnie Quinn, Chief Executive from 1 April 2017 to until 31 March 2018 received a salary of £132,000 and bonus of £49,860. The bonus, paid in July 2017, related to performance and contribution to the results of The Crown Estate for the financial year 2016-17 and was wholly funded by The Crown Estate.

### **Statement of Efficiency, Effectiveness and Economy**

Crown Estate Scotland is committed to delivering increased value through improvements in the economy, efficiency and effectiveness of its functions.

We are self-funded and do not receive funding towards running costs from Scottish Government. All our revenue profit is paid to the Scottish Consolidated Fund.

---

<sup>1</sup> Crown Estate Scotland is the trading name of Crown Estate Scotland (Interim Management).

Our core values of commercialism, integrity, excellence and collaboration support a culture of careful financial and risk management, and a focus on results and outcomes over inputs and outputs.

Since the creation of Crown Estate Scotland, separate from The Crown Estate, from 1 April 2017, new / increased indirect costs have emerged. These relate to the infrastructure required to operate the business on a standalone basis such as governance (including the Board), additional administrative posts, insurance, and running and maintaining geospatial, IT, HR and finance systems.

Within this context, to ensure we deliver value for money, we reviewed direct and indirect costs in 2017-18 and implemented a number of changes to deliver efficiencies.

In 2017-18 we:

- Generated total turnover of £16.4m (against budget of £14.7m) reflecting a particularly strong year for aquaculture, with higher than anticipated finfish production as well as careful management of costs
- Exceeded revenue profit target by over £3m, with a total of £9m contribution to Scottish Government to benefit public finances
- Introduced measures to deliver efficiencies and savings including a new procurement policy and retendering of professional services
- Continued to invest in staff development and technology to ensure we benefit from new tools and techniques in areas such as digital communications, procurement, cyber resilience and data management.

Costs continue to be kept under review within the wider context of changes to how we operate and our remit more generally, including the upcoming implementation of the Scottish Crown Estate Bill (passed by the Scottish Parliament on 21 November, 2018).

### **Promotion of Sustainable Economic Growth**

Promoting sustainable economic growth is central to our corporate plan and strategic objectives, in particular strategic objective no 1 ('contribute to Scotland's economic, social and environmental wellbeing').

In regards to promoting sustainable economic activities on the Scottish Crown Estate, key activities in 2017-18 include

- Developed and consulted on our Local Asset Management Pilots Scheme which enables community bodies and local authorities to manage Scottish Crown Estate land and property
- Started to develop a framework to assess the wider benefits and value that the Scottish Crown Estate assets deliver for Scotland, including a trial of the Natural Capital Protocol. This is a significant project which we will continue to develop in 2018-19

- Developed the initial design of a proposed new offshore wind leasing round, with input from industry, government and non-governmental organisations (NGOs). This aligns with Scottish Ministers' desire for the offshore renewable energy leasing to continue to be managed at a national level and to use Scotland's seas to help meet ambitious government climate change targets
- Carried out initial studies into the potential macro-economic benefits to the UK if the floating offshore wind industry is provided with support to grow, and work to identify opportunities for energy storage that will then inform development of Crown Estate Scotland policy on local systems
- Continued to support development of the CCS (Carbon Capture & Storage) sector in Scotland, through industry and government initiatives and preparations to grant an option for lease of the seabed for the Acorn project off the north-east coast
- In collaboration with the Association of Scottish Shellfish Growers, we funded new research to establish where and how collective investment could help the Scottish shellfish sector grow and expand over the coming years.
- Continued our support for our river salmon fishing angling tenants on category 3 rivers by granting a 25% rent reduction for the 2018 season to help clubs invest in activities that support habitat management and / or recruit members. This affects 34 out of our 140 fishing tenancies spanning 17 different rivers in Scotland
- Continued to explore a means for successful wild and farmed fish interactions management with a commitment of £25,000 each year for three years (2017-18 – 2019-20) for a wild fish lice monitoring protocol pilot led by Fisheries Management Scotland
- Partial closed containment feasibility investigation for finfish now operating and we are participating on steering group. Closed containment has the potential to shorten open sea periods, addressing key operator risks by reducing exposure to pathogens, improving overall environmental sustainability and strengthening the sector's social license to operate
- Hosted the Seagas Forum in May 2017, bringing together academia and industry to explore progress in biomethane R&D
- Supported Norfab's mechanised handling design project for harvested seaweed which aims to identify production line economics to inform how cultivation logistics can be commercialised and scaled-up

### **Commitment to operating sustainably**

Sustainability and good stewardship of the assets is key to our long-term success as a landlord, land manager and a responsible business.

We work with the Scottish Government, business partners and communities to encourage sustainable practices, and continue to invest in public access and education activities to enhance the public use and understanding of the natural environment.

This is demonstrated by the work we do with our tenants on ecosystem restoration, woodland management, habitat and species management and the educational work delivered through our ranger service on the Glenlivet Estate and other activities.

Crown Estate Scotland's assets are significant in supporting the delivery of Scottish Government objectives relating to the environment. Under the Wildlife and Natural Environment (Scotland) Act 2011, the 'Six Big Steps for Nature' set out in Scotland's Route Map to 2020 inform our work and are integrated into our business planning.

Our [Biodiversity Statement](#) was published in February 2018 and we will provide a publicly available report on actions taken to meet our biodiversity duty in 2021.

Crown Estate Scotland is also supporting the 'Investment in Natural Capital' as set out in the 2020 Route Map and led the development of a trial project for land-based businesses in partnership with several other organisations. The trial applied the Natural Capital Protocol, co-developed by an international team of expert businesses and NGOs, to land-based businesses on two Moray estates run by Crown Estate Scotland as part of its work to put Scotland at the forefront of developing new ways of managing land and the environment.

We are working to develop processes and tools to measure and monitor social, economic and environmental impacts of our business decisions. An initial scoping exercise on this was carried out in 2017-18 and in 2018-19 we will undertake this substantial project, with the key deliverable being development of a methodology for evaluating the current and potential value of the assets to Scotland.

The outputs of this work will be incorporated into the organisation's strategic and decision-making processes and used to monitor our ongoing contribution to public benefit delivery.

As a public body subject to the Environment Assessment (Scotland) Act 2005, we gauged the likely effects of our 2017-20 Corporate Plan on the environment in accordance with the criteria in Schedule 2 of the Act, concluding that the Plan was exempt under schedule 7 of the Act. In 2018-19, we are conducting a Strategic Environmental Assessment for our draft Investment Strategy.

We are also bound by Section 44(1) of the Climate Change (Scotland) Act 2009.

## **Procurement**

All significant procurement activities were carried out via the Scottish Government's Public Contracts Scotland website. Wherever possible, use was made of public sector Framework Agreements (these agreements often offer better commercial terms than an organisation such as Crown Estate Scotland could achieve acting independently). We were active in Scottish Government Procurement Best Practice networks.



**Crown Estate  
Scotland**  
Oighreachd a' Chrùin Alba