



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

Shellfish farming is mainly the production of mussels and Pacific oysters and is one of Scotland's most sustainable industries. As a sector it boosts economy and employment, particularly in remote locations where other job opportunities are scarce.

Shellfish farming operations require a Crown Estate Scotland lease. However, we are not a regulator and have no statutory function in relation to the industry. Planning consent is issued by local authorities and a marine licence is issued from Marine Scotland. We currently lease 323 sites to fish farm operators to grow shellfish in Scottish waters.

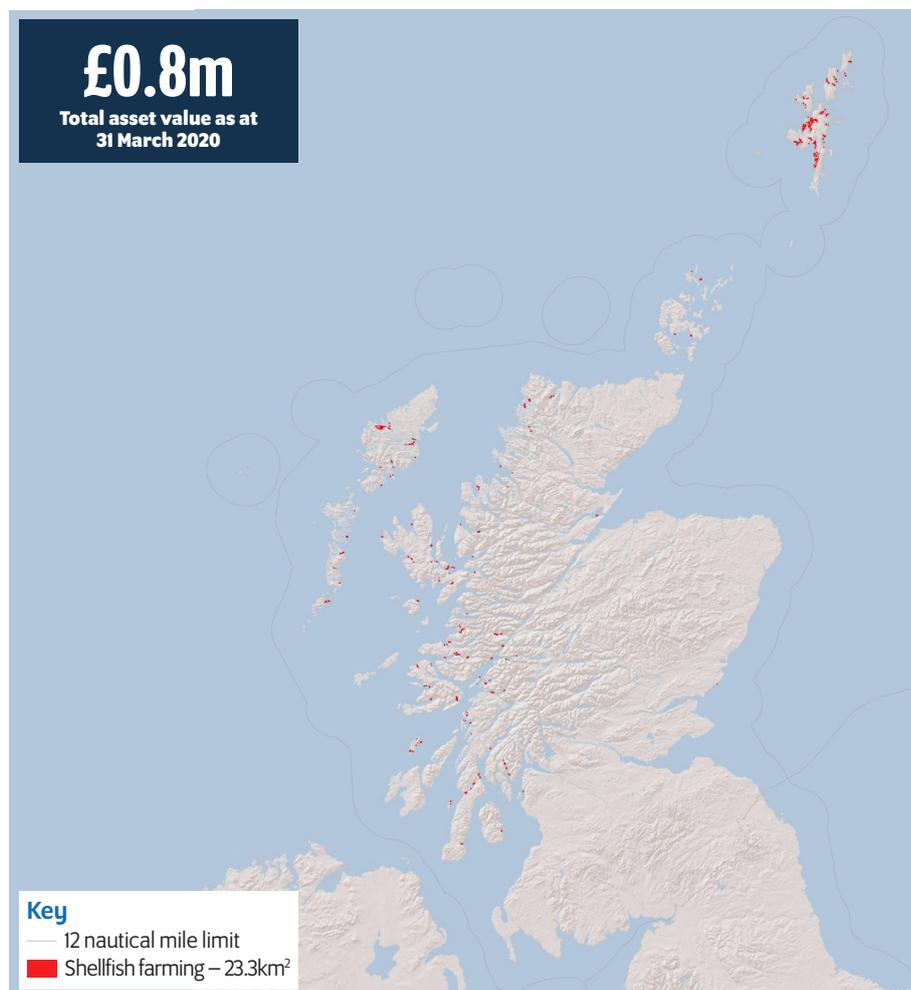
Asset information

No of agreements	323
No of tenants	90

Financial information

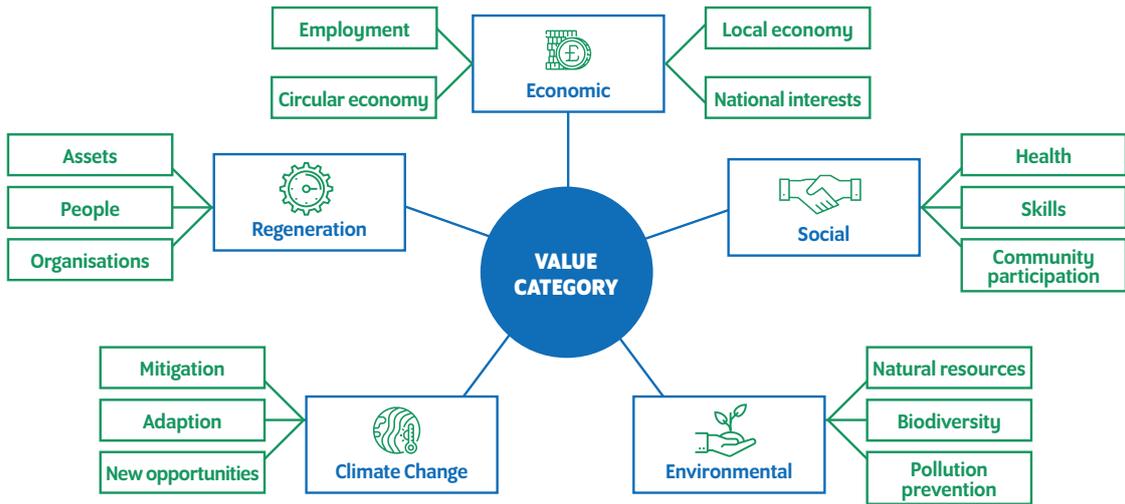
Asset value (March 2020)	£0.8m
Value share (% of total Estate value, March 2020)	0.2
Yield (net revenue + valuation change, 2018/19-2019/20)	24.6
Contribution (% of Crown Estate Scotland net revenue, 2019/20)	2.0

Shellfish asset map



Map is correct as of November 2020. An up to date map is available on our website: <https://www.crownestatescotland.com/what-we-do/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

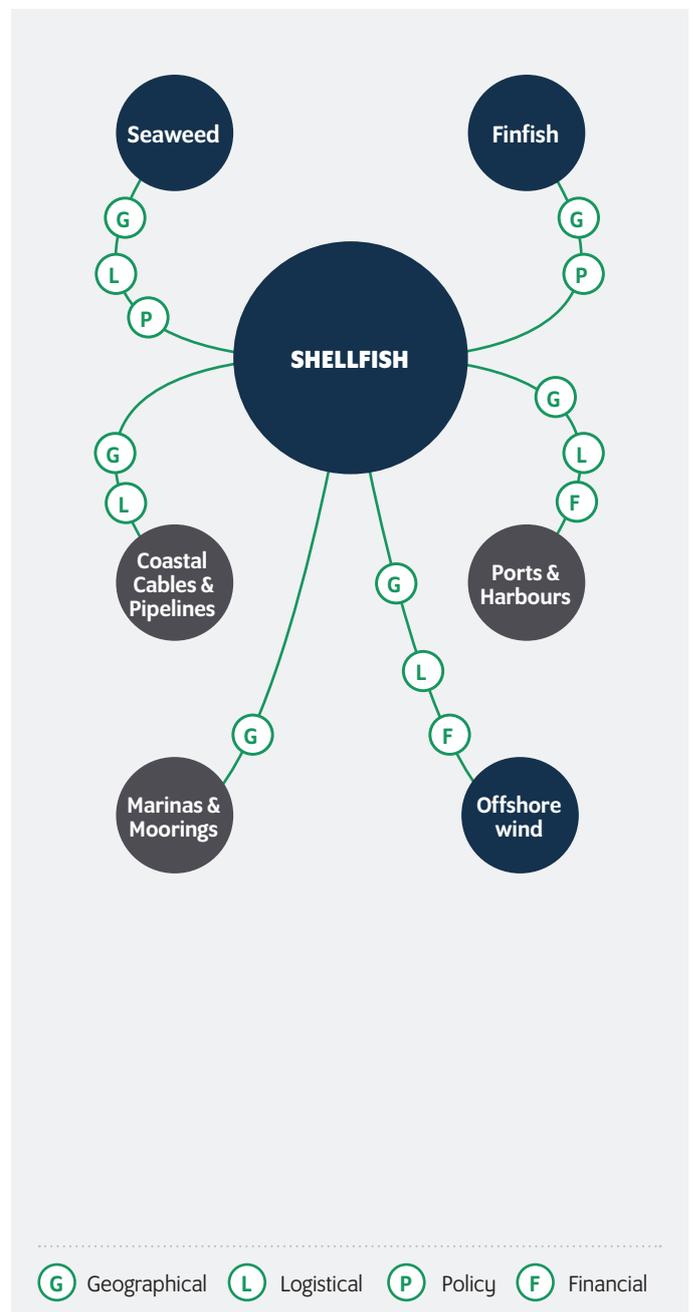
Climate change

- Mitigation** – low or zero emissions
- Adaption** – 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



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 shellfish, key areas identified with potential for increased wider value include:

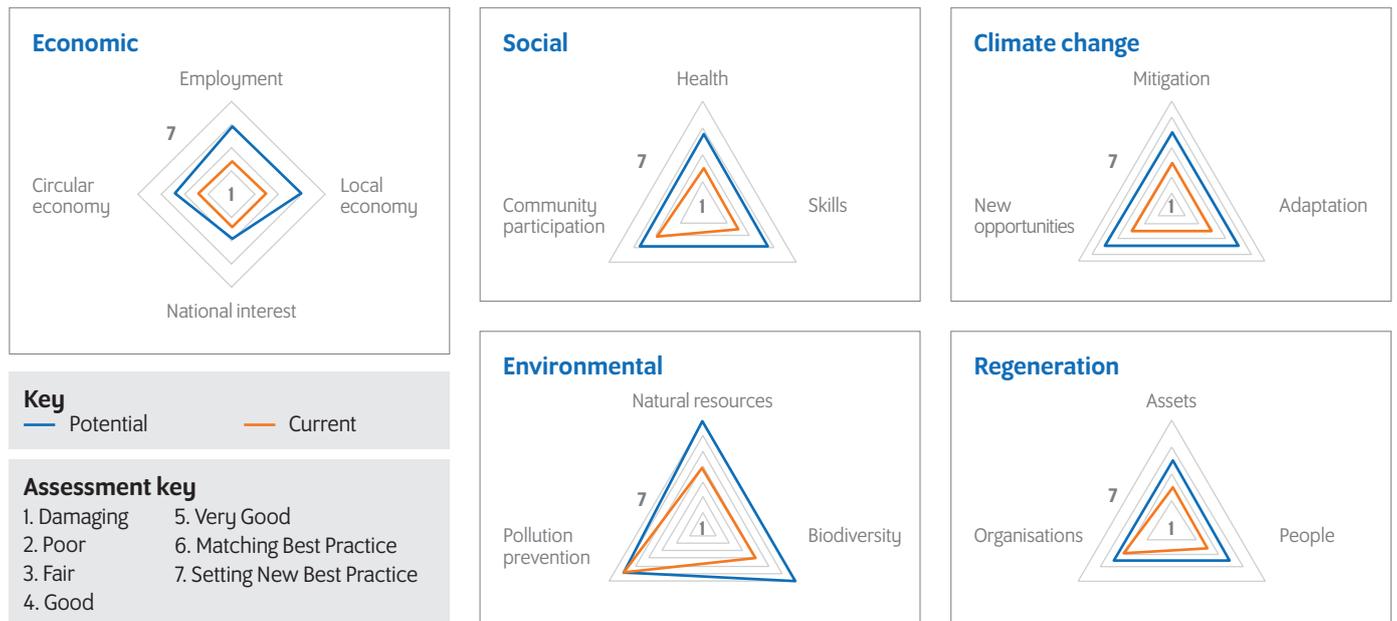
- **Economic** – in relation to local economy, expansion of the industry in rural and remote areas can support economic resilience and diversity.
- **Environment** – shellfish improve water quality and clarity by removing excess nutrients, organic material and bacteria; shellfish beds can provide critical ecosystem functions.

Opportunities

- Co-location of shellfish with seaweed farming offers carbon mitigation and potential offsetting market;
- Co-location of shellfish with offshore wind offers economic opportunities;
- New products from shellfish increase value / demand, particularly in home markets;
- Cost of international seafood with rising transport costs heightens demand for Scottish shellfish; and
- Societal demand for climate friendly low carbon diets.

Threats

- Rising sea temperatures make Scottish waters less suitable for some shellfish;
- Invasive non-indigenous species impact on native Scottish shellfish;
- Poor profitability constrains necessary investment to grow industry;
- Increasing biotoxin threats result from climate change; and
- Poor water quality increases health issues for shellfish consumption.



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 and mountain bike trails.

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 shellfish, some examples of our activities include:

Asset Manager

- Manage lease terms appropriately to generate revenue without overburdening the sector.

Enabler

- Completed the Shellfish Critical Mass project with the Association of Shellfish Growers and Marine Scotland to look at the future development of the sector and support economic resilience.

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.

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

Key

- Inactive
- Low
- Medium
- High

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