

AGENDA

Agenda for the Meeting of the Board of Crown Estate Scotland (Interim Management) to be held on 19 July 2017, at 10.15 am – 2.30 pm at Helensburgh & Lomond Civic Centre

- 1. Standing Items**
 - Welcome and apologies
 - Declarations of Interest
 - Approval of minutes of meeting of 13 June 2017
 - Matters arising

- 2. Management reports:**
 - 2.1 Qu 1 Finance Report (Board Paper 2.1) (LH) – Information
 - 2.2 Qu 1 Business Performance Report – Corporate, Rural & Coastal, Urban and Marine (Energy, Infrastructure and Aquaculture) (Board Paper 2.2) (RQ) – Information

- 3. Business Decision Papers**

4. *[item withdrawn from Agenda in advance of the start of the meeting]*

- 5. Managing Agents – Background Paper**
 - Information (Board Paper 2.6)

- 6. Islands/Local Management Pilot Strategy Presentation**
 - Discussion (Slides circulated to board) (RQ)

- 7. Tenant and Customer Satisfaction Survey proposal**
 - Discussion (Board Paper 2.7) (EB)
 - Shareholder Research Proposal**
 - Discussion (Board Paper 2.8)

- 8. Crown Estate Scotland Engagement & Communications Plan**
 - Discussion (Board Paper 2.9) (EB)

- 9. Draft Corporate Plan 2017/2020**
 - Discussion on Outline (Board Paper 2.10) (EB)

- 10. Board Programme:**
 - 9.1 Board dates 2018
 - 9.2 Audit and Risk Committee and Investment Committee dates 2017/2018

- 11. AOB**

- 12. Date of Next Meeting: 7 and 8 September 2017 (Shetland)**

Minutes of the 2nd Board Meeting of Crown Estate Scotland (Interim Management) (“Crown Estate Scotland”) held on Wednesday 19 July 2017 at Civic Centre, Helensburgh

Present: Amanda Bryan - Chair

Dr Michael Foxley

Robert Mackenzie (RHM)

Richard Morris (RM)

Hugh Raven

Alister Steele MBE

Apologies: Andrew MacDonald

In attendance: Ronnie Quinn (Chief Executive)

Andy Wells (Head of Property)

Lynne Higgins (Head of Finance & Commercial)

Esther Black (Head of Corporate Operations)

Helen Howden (Governance Manager)

Ashley MacIntyre (Interim Governance Manager)

1. Welcome and Apologies

The Chair welcomed everyone to the meeting.

Apologies for absence had been received from Andrew MacDonald. Hugh Raven gave his apologies for having to leave the Board Meeting early.

The Board agreed that Item 4 on the Agenda for this meeting (Revised Health and Safety Policy) was to be rescheduled and revisited by the Board at a later date, possibly at the September or November board meeting.

The Chair noted that Item 9 on the Agenda for this meeting (Draft Corporate Plan 2017/2020) was to be moved and considered by the Board prior to Items 6 and 7 in order that Hugh Raven could participate in the discussion in relation to the Draft Corporate Plan.

2. Declarations of Interest

There were no substantive declarations of interest in relation to the current agenda. The Chair and Chief Executive responded to a query from HR about his own interests and when these should be declared. There was one declaration of interest noted from Hugh Raven who declared that he was a non-executive director of Ardtornish Estates.

3. Minutes/Matters Arising

The Board considered and approved the draft minutes of the meeting held on 13 June 2017, subject to amendments agreed by the Board.

4. Review of Action Tracker

The action tracker from the previous meeting was reviewed and the following matters noted:

The following actions are closed: 1/1; 1/2; 1/4; 1/6; 1/7; 1/8; 1/9; 1/10; 1/11; 1/12; 1/13; 1/14; 1/15; 1/18; 1/19; 1/20; 1/21

The following actions are ongoing: 1/3; 1/5; 1/16; 1/17; 1/22

The following status updates were provided:

Framework Document

It was noted that the Board's comments on the draft Framework Document had been forwarded to the sponsor Directorate and the sponsor Directorate would provide an updated draft. It was further noted once received, the revised draft Framework Document would be forwarded to the Board for approval and this would be in advance of the September board meeting.

Scheme of Delegation

It was noted that the revised draft Scheme of Delegation, incorporating the Sponsor Directorate's comments, is with the Sponsor Directorate for approval.

Arrangements for Meetings of the Board

It was noted that the Board's comments on the draft Arrangements for Meetings of the Board had been incorporated and were to be reviewed by the Chair in the first instance.

Audit and Risk Committee and Investment Committee Terms of Reference

It was noted that the Board's comments on the Audit and Risk Committee and Investment Committee Terms of Reference had been incorporated and were to be reviewed by the Chair in the first instance.

Framework on Potential Rural Asset Disposals

The Board approved the framework on an interim basis and it was agreed it should be published on Crown Estate Scotland's website on an interim basis. It was noted that going forward the framework should be reviewed with the Investment Strategy.

It was noted that in relation to the Board considering the implications of the Community Empowerment Act, in the first instance a separate session among the Chair, Dr Michael Foxley and Andy Wells should be arranged to consider the way forward regarding the Community Empowerment Act.

Decision Paper: Proposed Dinwoodie Farm Sale

It was noted that the paper had been provided to the Cabinet Secretary and this process had been appreciated by the sponsor unit. It was further noted that the process for selling on the open market would commence at the beginning of August.

Forward Programme of Board Meetings

It was noted that the Chair and Governance Manager would meet to agree board and committee meetings.

5. Matters arising

The Board discussed that board papers and board minutes should be made available on the Crown Estate Scotland website. It was agreed that a protocol should be established for publishing board minutes and board papers, including arrangements regarding commercially sensitive information.

Action:

2/1 A protocol should be established for publishing board minutes and board papers, including arrangements regarding commercially sensitive information.

A meeting of the Scottish Government Stakeholder Advisory Group on the Crown Estate was held on 29 June 2017 and attended by the Chief Executive. The Board queried whether there was any indication on the timescales for publishing the consultation analysis. The Chief Executive noted that there was no definitive timetable given, however the analysis could be published alongside the draft legislation. A further meeting of the Stakeholder Advisory Group was to take place in September.

It was agreed that a schedule of meetings to be attended by the Chair and Chief Executive would be introduced as a standing item to board meetings. The Board discussed meetings previously attended by the Chair and Chief Executive and future meetings to be attended.

In particular, in relation to future meeting it was noted:

- the Chair is due to meet with the NFUS Crown Estates Tenants Working Group in the Autumn. It was agreed that Hugh Raven will lead on engagement with rural estate tenants and will also attend. A mutually agreed date to meet with the Working Group is to be found;
- the Cabinet Secretary was provisionally due to attend Bells Brae on 14 September 2017. It was noted that this was an opportunity for board members to meet with the Cabinet Secretary and if board members were available they should confirm with the Governance Manager;
- the Chief Executive had met with the PCS union representative and that a paper would be presented at the September board meeting in relation to pay and reward, including pay reviews, salary scales and bonuses.

Action:

2/2 A schedule of external meetings attended by the Chair and Chief Executive to be introduced as a standing item to board meetings.

2/3 A meeting to be arranged to meet with NFUS Crown Estates Tenants Working Group.

2/4 Board members to confirm with the Governance Manager if they are available to attend Bells Brae on 14 September 2017 to meet with the Cabinet Secretary.

2/5 A paper to be presented at the September board meeting in relation to pay and reward, including pay reviews, salary scales and bonuses.

Management Reports

6. Finance Report

The Board wished to record thanks to the Head of Finance & Commercial and the team for preparation of the report in the timescales.

The background to the Statement of Income and Capital Accounts was discussed and that the financial contents of the Statement effectively constitutes the opening balance sheet for Crown Estate Scotland.

It was noted that discussions are ongoing in relation to arrangements for quarterly financial reporting.

A summary of the revenue performance to 31 May 2017 was discussed and in general it was noted that revenue performance was on target. It was noted that there is an underspend in direct and indirect expenditure. However, it is expected that this will be negated going forward by timing differences on spending and accruing outsourced costs that have not been billed or notified.

A summary of the capital performance to 31 May 2017 was discussed. It was noted that Crown Estate Scotland was ahead on its capital programme and this was as a result of the particular focus on driving through capital transactions, in particular in the rural sector.

A summary of the cash and cash flow to 31 May 2017 was discussed and in general it was noted that this was on target.

The Board considered the draft Performance Dashboard. It was noted that the audit and risk committee would work with the Head of Finance & Commercial to develop the draft Performance Dashboard, which would incorporate financial and other key performance indicators. It was further noted that it would be useful for the Performance Dashboard to highlight current performance against annual forecast performance. In addition it was noted that it may be useful to have a further degree of granularity to the financial performance reporting.

It was agreed that it would be useful for board members to arrange time with the Head of Finance & Commercial to discuss the financials in relation to the areas they are leading on.

It was noted that new bank accounts for Crown Estate Scotland are in the process of being opened.

Action:

- 2/6 The audit and risk committee to work with the Head of Finance & Commercial to develop the draft Performance Dashboard, which would incorporate financial and other key performance indicators.**
- 2/7 Board members to arrange times to meet with the Head of Finance & Commercial to discuss the financials in relation to the areas they are leading on.**

7. Business Performance Report

The Board considered the Business Performance Report circulated to the board prior to the meeting.

It was agreed that a performance dashboard, similar to the dashboard in the Business Plan, should be developed and incorporated within the Business Performance Report going forward.

It was agreed that the audit and risk committee should further develop the Risk Register.

The Board discussed the status of the pension arrangements and the timescales for the new pension provision being in place. It was noted that the Government Actuary's Department (GAD) had indicated its pensions report would be available at the end of July. It was agreed that this matter required to be escalated and the Chair would liaise directly with the sponsor unit and update the Board.

It was noted that it may be useful for the three policy consultation responses submitted by Crown Estate Scotland (Scottish Government – Guidance on Engaging With Communities in Decisions Relating to Land; Scottish Government – Draft Energy Strategy; DBEIS – Building Our Industrial Strategy) to be provided to the Board as this could influence corporate strategy.

An update on the letting of 39 George Street, Edinburgh was provided.

Action:

- 2/8 The Head of Corporate Operations to circulate draft performance dashboard for review by the board.**
- 2/9 The audit and risk committee to further develop the Risk Register.**
- 2/10 The Chair to liaise directly with the sponsor unit to escalate the availability of the new pension provision.**
- 2/11 The three policy consultation responses submitted by Crown Estate Scotland (Scottish Government – Guidance on Engaging With Communities in Decisions Relating to Land; Scottish Government – Draft Energy Strategy; DBEIS – Building Our Industrial Strategy) to be provided to the Board.**

Decision Papers

8. Decision Papers

This item is being treated as closed business and exempt from publication in terms of s33(1)(b) of the Freedom of Information (Scotland) Act 2002.

9. Managing Agents Briefing Paper

The Board considered the managing agents briefing paper circulated to the Board prior to the meeting.

The Chair noted that a further discussion paper would be presented to the Board at the September board meeting and the purpose of the current briefing paper was to consider further information, which the Board may require in relation to Crown Estate Scotland's use of managing agents.

The Board had a high-level discussion on items to be incorporated into a further paper, including:

- What are the managing agents skills/policies in relation to environmental matters and community interests;
- How do managing agents deal with any conflicts between the managing agents employer company and Crown Estate Scotland;
- How accountable are the Managing Agents to Crown Estate Scotland and how do we measure their delivery;
- What proportion of time do managing agents dedicate to Crown Estate Scotland;
- How would services be delivered if management agents were not used by Crown Estate Scotland;
- What are the arrangements in relation to ownership and transfer of intellectual property rights;
- What are the challenges in working with managing agents;
- Is there an ability to terminate the current managing agents appointments;
- Do the fees represent value for money.

It was agreed that these matters would be addressed in the further paper to be presented to the Board at the September board meeting.

Action:

2/12 A Managing Agents Discussion Paper to be presented to the Board at the September board meeting, incorporating the above comments.

2/13 The Board to email Andy Wells with any items they would like to include in the further paper.

10. Islands/Local Management Pilot Strategy Presentation

The Chief Executive gave a presentation to the Board on the proposed Islands/Local Management Pilot between the 3 Islands Councils, Comhairle nan Eilean Siar (Western Isles Council), Orkney Islands Council and Shetland Islands Council. The presentation focused on the positions of the Islands Councils, the Scottish Government and Crown Estate Scotland and the potential scope for a pilot scheme.

It was agreed that early discussion with the Islands Councils' was key to discuss what the Councils' sought and how this could be best achieved.

Action:

2/14 An invitation to be extended to representatives of the Islands Councils' to attend the September board meeting.

2/15 In advance of the September board meeting, the Chair to work with the Chief Executive and Head of Corporate Operations to consider proposed options in relation to pilot.

11. Corporate Plan 2017/2020

This item is being treated as closed business and exempt from publication in terms of s29(1)(a) of the Freedom of Information (Scotland) Act 2002.

Action:

- 2/16 The Board to provide further comments on draft Corporate Plan by Monday 24 July 2017.**
- 2/17 A separate work stream should be set up to develop the draft Corporate Plan before it is re-issued to the Board as a whole. The Chair, Alister Steele, Robert Mackenzie and Richard Morris would work with the Head of Corporate Operations.**

Discussion Papers

12. Tenant and Customer Satisfaction Survey proposal

The Board considered the tenant satisfaction survey proposal circulated to the Board prior to the meeting.

In relation to the questions covered by the survey it was noted that a question in relation to how things could be done better by Crown Estate Scotland would be useful. It was further noted that it would be useful to consider processes for increasing tenant responses.

It was agreed that once complete, overall feedback and a summary of results would be provided to the Board.

13. Stakeholder research proposal

The Board considered the stakeholder research proposal circulated to the Board prior to the meeting.

It was noted that prior to circulation it would be useful to engage in an exercise to determine the full range of stakeholders.

It was agreed that stakeholder research was an important work-stream and should be progressed.

The Board noted how important the two surveys discussed are in relation to establishing a baseline for measuring our performance.

14. Communications and engagement plan

The Board considered the communications and engagement plan circulated to the Board prior to the meeting.

It was noted in relation to the Scottish Liaison Group the next meeting in November should continue this year and at the annual meeting the group should be advised that a review of stakeholder engagement more widely was proposed and invite feedback in relation to communications including the future use of the group.

In relation to engagement activity it was agreed that it would be useful for the Board to share calendars and have visibility on events being attended by other board members.

- 2/18 A process to be established for board members sharing calendars and events to be attended.**

15. AOB

The Chair noted the successful engagement with both officers and Members of Argyll and Bute Council the day before the Board Meeting and their provision of facilities to host the Board Meeting itself. This marks the start of a programme of wider engagement for the Board which will continue in September.

2/19 Chair to send letter of thanks to Argyll & Bute Council.

16. Date of next meeting

The next meeting would be held on 7/8 September 2017 in Shetland.

Board/Committee	Board	BD(2017)02
Meeting date	19 July 2017	
Paper title	Business Performance Report - Paper BD(2017)02.02	
Security classification	Restricted	
This document contains commercially sensitive and confidential information and may relate to the formulation of policy.		
Presented by	Ronnie Quinn	
Author	Esther Black / Laura Collins	
Annexes	Annex 1 – Risk Register	
Recommendation	For information and comment	
The board/committee secretary or chairman should be advised if the contents of this paper give rise to any conflict of interest		

Background

1. This paper sets out the key business activities in Q1. The risk register as at 10 July 2017 is set out at Annex 1.

Marine

2. Managed assignment requests for various agreements.
3. Supported offshore energy project companies to progress project development and prepare for investment decisions.
4. Investigated opportunities for further development of offshore energy in Scotland over varying timescales.
5. Management applications for test and demonstration leasing for offshore energy projects. Granted 17 Lease Option Agreements (fin and shellfish).
6. Held seaweed biogas forum with researchers and other stakeholders involved in R&D of biomethane, a potential new renewable source of fuel.
7. Visited Orkney with two potential aquaculture new entrants.

Rural, Coastal & Urban

- 8.** Completed Minute of Agreement with Scotgold to facilitate further development towards operations at the Cononish gold mine.
- 9.** Continued to progress programme of work on fixed wiring electricity upgrade & asbestos related works to direct let residential and farm properties.
- 10.** Completed 53 tenancy agreements across the rural assets (agriculture, mines royal & salmon fishings).
- 11.** Worked with tenants and EE on agreements for four new communications mast sites at Glenlivet for Emergency Services Network.
- 12.** Progressed budgeted repair & improvements work on agricultural buildings residential properties & infrastructure.
- 13.** Progressed partnership project for testing the Natural Capital Protocol on land-based businesses.
- 14.** Prepared next stage of biosecurity knowledge exchange project with the Moredun Research Institute (launched at the Royal Highland Show).
- 15.** Completed 3 rural sales including land and residential properties. These sales are part of an ongoing process to ensure that the business has enough capital to fund improvements and investment in the estate.
- 16.** Initiated delivery phase of the Tomintoul and Glenlivet Landscape Partnership Project.
- 17.** Prepared for Forest Stewardship Council recertification audit in July.
- 18.** Rebranding (new signage) across all estates.
- 19.** Lease with Aberdeen Harbour Board signed for dredging and reclamation of foreshore/seabed for their expansion into Nigg Bay.
- 20.** Ongoing management of circa. 2,300 existing marine agreements, negotiations on new agreements and adverse claims.
- 21.** Ongoing works at Rhu Marina, Haskoning breakwater options study close to completion, talks with purchasers of adjoining marina land.
- 22.** Meetings with marine fora and working groups to assist sustainable development of marine resources.
- 23.** The refurbishment of 39 George Street, Edinburgh, is complete and the space is being marketed.

Corporate Operations

People

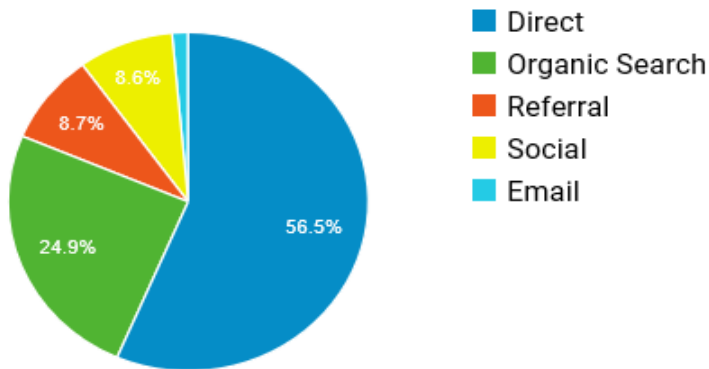
- 24.** Recruitment completed for finance assistant, business support assistant, governance manager, forest manager, GIS analyst (paternity cover). Recruitment underway for senior manager (policy & planning) (maternity cover).
- 25.** As of 5 July 2017, pensions report from SG is pending. Employee contributions are currently not being deducted and arrangements are being made to implement phased repayments once alternative pensions provision is in place.
- 26.** Work on benefits include setting up Lifeworks Employee Assistance Programme (mental health and well-being support service) and Cycle to Work scheme.

Corporate Affairs & Policy

- 27.** New website launched; structure reviewed and update is now underway (metrics below).
- 28.** New branding rolled out at Bells Brae and rural estates (inc. approx. 120 farm signs); across all business documentation plus internal and external channels (GIS CORE Map, Twitter, HR system etc.).
- 29.** Publications – Bulletin and 2017/18 Business Plan complete; corporate plan development started.
- 30.** Three policy consultation responses submitted:
 - Scottish Government – Guidance on Engaging With Communities in Decisions Relating to Land
 - Scottish Government – Draft Energy Strategy
 - DBEIS – Building Our Industrial Strategy
- 31.** Commissioned a scoping study on macro-economic impact of commercial-scale deep water offshore wind projects.
- 32.** Engagement included meetings with 7 MSPs, one Cabinet Secretary (Fergus Ewing), Cosla, and the Chief Executives of Argyll & Bute and East Lothian Councils. Various events and conferences attended.
- 33.** The number of Twitter followers rose from approx. 400 pre-transfer to over 630. This is still low for a corporate account but is increasing steadily.
- 34.** Traffic to the website totalled 3,155 users with an average session lasting 3 mins 24 seconds across 3 pages. Most traffic comes from users directly typing in the url or from organic search (our Google search rankings have improved significantly since 1 April and we now come second in search for “Crown Estate Scotland”, with The Crown Estate coming first).

Pie chart 1: Q1 sources of traffic to website

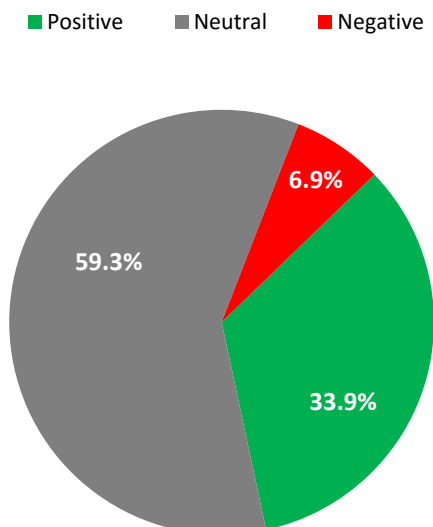
Top Channels



35. Media coverage totalled 189 articles.

- Included 20 items in national press (10.6% of all coverage), 55 items in regional press (29.1%), and 114 items of online coverage (60.3%).
- 52 items were generated by the transfer taking place on 1 April.
- The pie chart below show coverage by tone. 6.9% of coverage was negative (largely related to accusations of SG interference in a study into finfish lice pesticide – Crown Estate part-funded the study), 33.9% positive and 59.3% neutral.
- Press & Journal – our priority outlet – was the most prominent source of coverage during Q1.
- Significant stories included consent of Islay tidal project (carrying positive comment from CES), Tobermory community taking on harbour management (positive comment from CES) and opinion pieces in the Scotsman and Holyrood tied into the Royal Highland Show and focusing on our engagement with rural sector / tenants.

Pie chart 2: Q1 media coverage (press and online) by tone



Finance & Commercial

36. Liaison with TCE finance team to prepare and provide the Scotland operation's numbers for the accounts to 31 March 2017.
37. Led business-wide workshop to commence Business Continuity Planning exercise.
38. Provided financial details and prepared the Completion Statement (which was laid before the Houses of Parliament and the Scottish Parliament).
39. Responded to queries from National Audit Office during their audit of TCE's statutory accounts and the Completion Statement.
40. Ongoing work on the General Ledger system to improve functionality and reports suited for business needs.
41. Liaison with HMRC with regard to VAT registration and options to tax.
42. Registration for PAYE and Construction Industry Scheme.
43. Liaison with payroll provider re banking and authorisation procedures.
44. Ongoing work with outsourced IS suppliers following handover from London.
45. Implementation of banking arrangements for the new entity including BACS payment set up.
46. Implementation of online staff expense claims module.
47. Progressing discussions with Scottish Government on procurement requirements.
48. Implementation of insurance arrangements and liaising with Managing Agents.
49. Provided commercial support on various projects across the business including the Beatrice Offshore Wind project, Zone 1 and the tendering and appointment of outsourced Health & Safety managers.

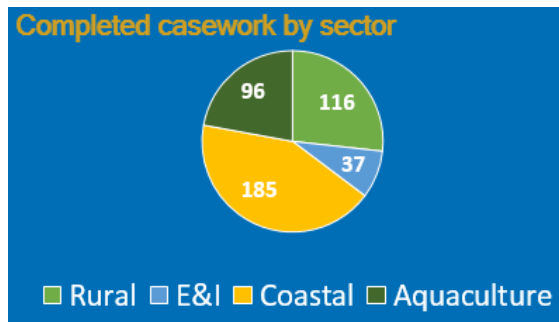
GIS & Business support

GIS

50. Casework summary:

Incoming	495
Completed	432
Referred	10
Awaiting IXP	32

51.



52. Additional projects, listed by priority:

- Local Authority analysis
- E&I data website download
- Land Register completion
- IXP
- Tomintoul & Glenlivet Landscape Partnership web map

Business support

53. Responded to 9 of 11 FOI requests received in Q1. Responses to the 2 outstanding requests are in progress.

Annex 1

Restricted

This item is being treated as closed business and exempt from publication in terms of s33(1)(b) of the Freedom of Information (Scotland) Act 2002.

Board	CES Board	BD(2017)02
Meeting date	19 July 2017	
Paper title	Tenant satisfaction survey proposal – Paper BD(2017)02.07	
Security classification	Restricted	
This document contains commercially sensitive and confidential information and may relate to the formulation of policy.		
Presented by	Esther Black	
Author	Esther Black	
Annexes	Summary of recent tenant survey data	
Recommendation	To approve the overall approach to tenant survey	
The board/committee secretary or chairman should be advised if the contents of this paper give rise to any conflict of interest		

Background

1. High levels of tenant satisfaction are vital in ensuring Crown Estate Scotland operates successfully. Key to this is being able to demonstrate our understanding of the needs of our tenants and how we respond to those needs.
2. Establishing a baseline level of satisfaction and ongoing monitoring will be important in gauging the success of strategic and operation policy changes, whilst positioning the business as outward-looking and customer-focussed.
3. In 2016, The Crown Estate surveyed 69 Energy & Infrastructure tenants, including 19 operating in Scotland. Although similar surveys were carried out in other areas, there is a lack of recent, statistically-valid data for the Scottish Rural, Coastal and Aquaculture businesses.
4. This paper proposes an approach and timescale for conducting this research.

Discussion

Objectives and approach

5. Tenant insight and feedback is vital in ensuring Crown Estate Scotland operates successfully. Specifically, it will help ensure that:
 - We are aware of critical issues impacting our tenants, be it strategic issues related to their operating environment or more practical matters;
 - We consolidate our reputation as a responsible land manager;
 - We can respond, where appropriate, to issues raised relating to how we do business and how we communicate with tenants and stakeholders;
 - We can establish a baseline for subsequent monitoring, evaluation and reporting.

Board paper

- Enabling the business to establish a baseline for subsequent targets and continual improvement
 - Enabling the business to establish customer service principles
6. Given our wide customer base (approximately 2000 customers & tenants across different sectors) we will include standard questions in all surveys, supplemented by further questions tailored according to sector.
 7. Given that E&I were surveyed in 2016, and the general external interest in the R&C assets, it is proposed that agricultural, residential and coastal tenants along with aquaculture, are surveyed initially.

Methodology

8. The survey will take the form of a questionnaire mailed out with a cover letter. Respondents will be able to respond via post (using a pre-paid return envelope) or online. Unique identifier codes will ensure only one response per tenant is counted.
9. The survey would be carried out and managed by a third party¹ to ensure independence from both Crown Estate Scotland and the managing agents.
10. Introductory text in the questionnaire will make clear that this research is related to business operations and customer service, not the upcoming legislative changes to the long-term arrangements for managing Crown Estate Scotland assets.
11. Timescales take into account our tenants' busy periods (avoiding harvesting time for rural and festive period and business planning (Dec-March) for aquaculture).
12. Surveys will initially be piloted with small groups on tenants to test them.
13. Pre-publicity to encourage take-up will include social media, e-newsletter, targeted media relations (e.g. Scottish Farmer), website, and word-of-mouth (via managing agents and asset managers).
14. Follow-up correspondence to tenants detailing subsequent action taken by Crown Estate Scotland is timed for Q4. At that point, 2018/19 business planning will be relatively advanced (we will have draft budget by mid-December) but we may not be able to firmly commit to specific actions. In addition, there may be some remedial action that is taken forward in 2019/20 rather than 2018/19.
15. From the full sample of 1900 tenants, we would aim to secure 475 responses overall (25% response) which would offer a 4% margin of error (95% confidence level).

Customer satisfaction survey timescales

	Target number of responses (total number of tenants)	Survey development and publicity	Fieldwork (inc supplementary phone surveys to ensure correct sampling)	Analysis and reporting	Follow-up – thank you letter / then update on resultant actions
Rural (agricultural & residential only)	63, 25 (250, 100)	September	Early Oct-early Nov	Dec	Q4

¹ The supplier will be a Company Partner of the Marketing Research Society and registered to the formal quality standard ISO20252. The contract will be under £50,000 and therefore does not require to be competitively tendered.

Coastal (ports & harbour, moorings)	350 (1400)	August	September	Nov	Dec / Q4
Aquaculture	37 (150)	September	October	Dec	Q4

16. Each survey will include approximately 20 questions covering

- About Crown Estate Scotland (testing general awareness and favourability)
- Relationship with Crown Estate Scotland (inc communication and engagement, responsiveness, understanding of tenants' business needs)
- Relationship with managing agents (if applicable)
- The property, tenancy and rent (inc clarity and openness re rents, business operations e.g. rent collection, contractor standards, arrangements for dealing with repairs etc)
- The tenants' concerns regarding their business more generally – what is the top of their worry list?
- Overall assessment of customer service / tenant relations

There will be the opportunity for respondents to develop their answers through open text response fields for some of the questions.

Financial

17. The survey will cost approx. £9300 exc VAT and comes within the 2017/18 budget.

Sustainability

18. No direct impact on environmental sustainability, positive impact on business sustainability for the reasons outlined in paragraph 4.

Legal implications

19. Data protection legislation will be adhered to throughout the process and in storing the collated data.

Risk

20. The customer survey is cited in the corporate risk register as a mitigating action for CES002.²

People considerations

21. The survey will be conducted by a third party and managed by the Corporate Operations team, with input from wider staff team and managing agents.

Reputational / PR implications

22. Conducting the survey will help establish CES externally with customers and tenants and help position us as a listening land manager and a responsible business.

² This footnote is being treated as closed business and exempt from publication in terms of s33(1)(b) of the Freedom of Information (Scotland) Act 2002

Annex – summary of recent tenant research

This Annex is being treated as closed business and exempt from publication in terms of s33(1)(b) of the Freedom of Information (Scotland) Act 2002

Board	CES Board	BD(2017)02
Meeting date	19 July 2017	
Paper title	Stakeholder research proposal – Paper BD(2017)02.08	
Security classification	Restricted	
This document contains commercially sensitive and confidential information and may relate to the formulation of policy.		
Presented by	Esther Black	
Author	Esther Black	
Annexes	Summary of stakeholder research	
Recommendation	To approve the overall approach to stakeholder research	
The board/committee secretary or chairman should be advised if the contents of this paper give rise to any conflict of interest		

Background

1. Measuring stakeholder opinion and gathering qualitative feedback is critical to Crown Estate Scotland's success.
2. Being able to establish a baseline level of awareness and favourability and demonstrate responsiveness is important in positioning the business and ensuring we are doing the right thing (in accordance with our values) and doing things the right way (being effective).
3. Recent stakeholder research is summarised in Annex 1. This shows that research to date has focussed on MSPs and marine stakeholders and there is clear a need to do a more comprehensive exercise covering a broader range stakeholder groups.
4. The proposal below is for a qualitative study (to give in-depth meaningful feedback) with a partially quantitative element that is replicable (to enable us to establish baseline and indicators).

Discussion

Objectives and approach

5. The objectives of the research are to
 - Gather evidence of how our stakeholders perceive CES in terms of awareness of what we do, effectiveness, local engagement, communications, how well we deliver / support industries / sectors etc.
 - Enable the business establish a baseline and to develop indicators for tracking shifts in perceptions
 - Provide meaningful, relevant feedback that enables the business to identify potential changes / improvements to what we do and how we do it

This exercise should be used as a way of reaching communities and other stakeholders that we may have not previously focussed on, and to establish CES as a listening organisation.

Board paper



Key targets will include local authorities (Chief Executives and leaders), sector representatives & industry bodies, regulators, local community bodies e.g. development trusts.

We will ensure an appropriate geographical spread. We will not include MSPs as they are covered by annual Ipsos Mori research.

Methodology

6. Approx 50 priority stakeholders will be identified for in-depth phone interviews, with a final target of 40 respondents. While it will be largely qualitative it will include a few quantitative (ranking) questions on key issues e.g. transparency, communication etc
7. This may be supplemented with desk-based research on responses to the SG consultation on long-term arrangements
8. The survey would take the form of a telephone interview and would be carried out and managed by a third party¹ to ensure independence from both Crown Estate Scotland and the managing agents.
9. The introductory script will make clear that this research is related to business operations and customer service, not the upcoming legislative changes to the long-term arrangements for managing Crown Estate Scotland assets.
10. Surveys will initially be piloted with a small representative sample.
11. It is important that we can demonstrate some meaningful change or outcome following this research. Follow-up correspondence detailing subsequent action taken by Crown Estate Scotland is timed for Q4. At that point, business planning will be relatively advanced (we will have draft budget by mid-December) but we may not be able to firmly commit to specific actions. In addition, there may be some remedial action that is taken forward in 2019/20 rather than 2018/19.

Stakeholder research timescales

	Target number of responses	Survey development	Fieldwork	Analysis and reporting	Follow-up – thank you letter / then update on resultant actions
	40	Aug / Sep	Oct / Nov	Dec	Q4

12. Each survey will include approximately 20 questions covering
 - About Crown Estate Scotland (testing general awareness and favourability)
 - How is CES perceived as a brand and as an organisation?
 - Stakeholder perceptions of our key strengths and weaknesses?
 - Relationship with Crown Estate Scotland (inc communication and engagement, responsiveness, CES understanding of stakeholder's needs)
 - General and specific suggestions for what we may do differently
 - Overall assessment of engagement

¹ The supplier will be a Company Partner of the Marketing Research Society and registered to the formal quality standard ISO20252. The contract will be under £50,000 and therefore does not require to be competitively tendered.

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Financial

13. The research is budgeted for in the 2017/18 budget and will cost approx. £9000 exc VAT.

Sustainability

14. No direct impact on environmental sustainability, positive impact on business sustainability for the reasons outlined in paragraph 2.

Legal implications

15. Data protection legislation will be adhered to throughout the process and in storing the collated data.

Annex 1: Summary of stakeholder research to date

This annex is being treated as closed business and exempt from publication in terms of s33(1)(b) of the Freedom of Information (Scotland) Act 2002.

Board/Committee	Board	BD(2017)02
Meeting date	19 July 2017	
Paper title	Communications & engagement plan – Paper BD(2017)02.09	
Security classification	Restricted	
This document contains commercially sensitive and confidential information and may relate to the formulation of policy.		
Presented by	Esther Black	
Author	Esther Black	
Annexes	Annex A - Outline communications & engagement plan	
Recommendation	For information and comment,; for decision regarding the proposal for a Crown Estate Scotland Liaison Group (section 3)	
The board/committee secretary or chairman should be advised if the contents of this paper give rise to any conflict of interest		

Background

1. The communications and engagement plan forms Annex A hereto.

Annex 1

Draft communications and engagement plan

1. Objectives
2. Key strands of work
3. Scottish Liaison Group – background and proposal for relaunch
4. Annex 1: Plan of key communications and engagement activity

1. Objectives

The objective of engagement and communications activity is to support delivery of business plan objectives, specifically

- Establish CES externally as a high-performing, collaborative and transparent business
- Raise awareness of corporate plan and the aims and objectives of the interim body
- Give stakeholders an opportunity to feedback on / inform our work
- Help foster strong and mutually beneficial partnerships at a local and national level
- Demonstrate policy and outcomes alignment with SG

Board paper

Below we outline key areas of activity by type and by month. Following development of the corporate plan, and completion of stakeholder research and tenant survey, the plan will be reviewed accordingly.

2. Key strands of work this year

- **Events** – sponsorship of various sector and partner events; parliamentary reception; Moredun reception; Brexit events with tenant; possible VIP site visit
- **Publications** – business plan (2017/18 and 2018/19) and corporate plan; Bulletin x 2; A6 Introduction to CES
- **Digital** – continue to grow Twitter audience; trial video creation (in relation to corporate plan); create digital image library; develop website structure and content with a focus on transparency (FOI disclosures, charging, asset list etc) and managing the volume of incoming queries
- **Media relations** – meetings with key political journalists to brief them on CES remit; ongoing proactive activity on estates and in relation to offshore renewables
- **Parliamentary engagement** – as well as the parliamentary reception, the annual ECCLR Committee appearance and evidence in relation to the draft bill; responding to policy consultations; ongoing engagement with priority MSPs
- **Internal communications / employee engagement** – quarterly staff sessions off-site (Board members invited), fortnightly email updates covering legislative / political developments, bespoke sessions on corporate plan and draft legislation
- **Policy & industry engagement** – informing emerging policy (and ensuring alignment with SG) through consultation responses and our active role in various fora (e.g. fishing and offshore renewables, navigation, seabed users group etc) and with key partners e.g. Marine Scotland
- **Floating / deep water wind**
 - [closed business and exempt from publication in terms of s29(1)(b) of the Freedom of Information (Scotland) Act 2002]
 - Exploring macro-economic benefits of floating wind industry to inform UK government decisions regarding support for the industry (initial report commissioned from Fraser of Allander Institute, follow-on study planned for autumn 2017)
 - Set-up and facilitation of floating wind industry steering group
- **Research** – tenant survey, stakeholder research, industry programmes (Offshore Renewables Joint Industry Programme Groups (offshore wind and ocean energy)
- **Two core projects** – one on transparency / CES corporate positioning; [closed business and exempt from publication in terms of s29(1)(b) of the Freedom of Information (Scotland) Act 2002]. These will straddle various activities detailed above.

3. Scottish Liaison Group – background and proposal for relaunch

Following discussions with the Scottish Parliament's Rural Affairs and Environment Committee in late 2007, The Crown Estate set up a Scottish Liaison Group to allow two-way communication with stakeholders in order to:

- **Explain the work of The Crown Estate in Scotland and seek the views of stakeholders** on its priorities and overall approach
- **Explore potential areas of co-operation** by securing a better understanding of the policies, plans and programmes of a range of relevant stakeholder groups
- **Explore potential areas of joint working** that offer mutual benefits, support the strategic objectives of the Scottish Government and contribute to Scotland's economic success.

The SLG has been strategic rather than focusing on day to day operational matters. It is made up of over 20 nominated individuals from a range of groups representing Scotland-wide interests (e.g. COSLA, NFUS, Scottish Renewables, the RYA, Scottish Tenant Farmers Association, British Ports Association, and SSPO).

It was chaired by The Crown Estate's Scottish Commissioner, with the last one in November 2016. In recent years sub-groups of particular interests were created for offshore renewables, aquaculture, marine leisure and agriculture. These sub-groups met once a year and the full group met annually also. Meetings are well-attended and anecdotal feedback indicates attendees find the SLG useful.

Establishing a Crown Estate Scotland Liaison Group

Having worked well in recent years, it is proposed that the SLG does not stop with no alternative in its place. However, it is appropriate that it is reviewed and refreshed to ensure it is a genuinely consultative forum, and that members have an active role in informing / shaping our work. This would dovetail with CES Board members' engagement activity with their allocated parts of the business / sectors.

The refreshed SLG could form a valuable forum to consult with on business activities and, through those members' contacts, would give CES access to a larger network, complementing those of Board members and staff.

Proposed Crown Estate Scotland Liaison Group scope / objectives:

- **Enhance transparency and communication:** Information would be provided to the group by CES on plans, issues etc. This would be used to improve understanding of our work and the resources and parameters within which we operate. There would also be an opportunity for the SLG members to provide information which may be of benefit to CES (or other participants) including feedback on the draft corporate plan.
- **Improve collaboration:** The forum would provide an opportunity to enable closer co-operation on specific activities in different sectors.
- **Offer 'pilots' of joint working to inform future models:** By working together, case studies of effective co-operation would be developed that may be rolled-out / developed with other partners.

The full group would meet twice a year, with ad hoc sub-group meetings in between depending on demand from members. The group would not have any executive authority.

Next steps

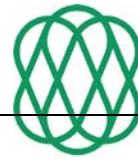
- Revise and agree membership with Board members and asset teams
- Letter from Chair sent to existing and new members inviting to join relaunched group
- Follow up letter mid-August including the draft corporate plan with this letter, inviting comment. This would indicate we intend to use the new Group in a genuinely consultative way. Save the date for first full meeting of the Group in November (coincide with Board meeting)

Annex 1: Plan of key communications and engagement activity

NB certain work is ongoing month-to-month and not listed below e.g. proactive media relations, developing content for digital channels, engagement, business planning etc.

	Board	Key engagement / communication	Other
June	Highland Council Scottish Land Commission meeting	Annual results Bulletin published MSP engagement (15) & Cab Sec for Rural Economy	
July	Rhu (18/19) – cllrs, Council CE etc	Media release – CES launches 'dialogue with communities' Final business plan published (online only) E-newsletter Media one-to-ones	
August		Media one-to-ones Consult on draft corporate plan	Staff session off-site
September	Shetland (7&8) Scottish Tenant Farmers' Union meeting	Annual Committee session SCDI awards Inverness (8) DTAS annual conference – launch community 'offer' (tbc) Customer survey fieldwork E-newsletter	SR marine energy conference Scottish Land Commission Conference, Dunfermline (28) HIE strengthening communities conf (21, 22, Inverness)
October	Parliamentary reception and launch of corporate plan (31)	Ipsos Mori MSP research Moredun event (HRH & agri tenants) Customer survey fieldwork Stakeholder research	Politician of the Year Award
November	Edinburgh (14)	Brexit events (Glenlivet & Fochabers; Whitehill & Applegirth) Stakeholder research E-newsletter	Draft legislation tbc Staff session off-site SPF annual dinner (8)

Board paper



**Crown Estate
Scotland**

Oighreachd a' Chrìin Alba

			World Forum on Natural Capital, Edinburgh (27, 28) Energy strategy dinner
December			Draft legislation tbc
January	tbc (16 & 17)	Bulletin published E-newsletter	
February		Committee evidence on bill (tbc)	Staff survey Staff session off-site
March	tbc	Committee evidence on bill (tbc) E-newsletter	Staff survey SR annual conference SCDI annual forum
April		Business Plan published	

July 2018 site visit to Beatrice Offshore Wind Farm (boat from Wick)

Board	Board	BD(2017)02
Meeting date	19 July 2017	
Paper title	Draft corporate plan – Paper BD(2017)02.10	
Security classification	Restricted	
This document contains commercially sensitive and confidential information and may relate to the formulation of policy.		
Presented by	Esther Black	
Author	Esther Black	
Annexes	Outline / draft corporate plan	
Recommendation	For discussion generally, and agreement specifically on Vision (section 3) and Key objectives (section 5)	
The board/committee secretary or chairman should be advised if the contents of this paper give rise to any conflict of interest		

Background

1. Under the Crown Estate Scotland (Interim Management) Order 2017 and the Framework Document, CES (IM) is required to produce a corporate plan detailing the corporate strategy covering a three-year period.
2. Following a strategy session at Bells Brae on 17 July 2017, the annexed attached has been drafted to provide an initial draft / detailed outline for discussion.
3. Launch of the plan will take place at the parliamentary reception on 31 October and other communication activity will be rolled-out internally and externally to maximise awareness / distribution.

Discussion

4. Under the requirements of the Crown Estate Scotland (Interim Management) Order 2017 and the Framework Document, the following must be included in the plan:
 - Period of plan
 - Purpose and principal aims
 - Analysis of operating environment
 - Key objectives and performance targets
 - The strategy for achieving them (including the activities to be undertaken in pursuit of them)
 - How these objectives will contribute to achieving primary Scottish Government (SG) purpose and National Performance Framework, and Scotland's economic strategy
 - Risks associated with activities
 - Outcomes / indicators against which performance can be judged
 - Other matters agreed between sponsor directorate and CES
5. The plan should communicate our key messages, namely that Crown Estate Scotland

Board paper



- Uses its commercial acumen for the benefit of Scotland and its communities
- Contributes to the Scottish economy by helping businesses in key sectors to succeed
- Is open and transparent
- Uses its expertise to develop innovative solutions
- Works in partnership to achieve shared ambitions
- Manages natural capital sustainably

6. The plan should also reflect some of the feedback from the Scottish Government consultation on long-term arrangements. Although this consultation was conducted to inform the primary legislation rather than the activity of the interim body, it is prudent to reflect stakeholder views, implicitly or explicitly. Key points include:

- A stronger focus on measuring our wider socio-economic and environmental benefits / impact
- Maintaining presumption against selling the seabed
- Making clear CES's contribution to key national outcomes
- Commitment that the Board will fully examine the case for a local pilot/s
- Developing and implementing an investment strategy (as in the 2017/18 business plan)
- Continuing to invest capital from one part of the estate into another, and from one geographical area in another

Some of these views were also expressed in the discussion at the corporate strategy session.

7. Taking into account the need to consult stakeholders, timescales for development and production are tight. The timeline, agreed with our sponsor team, is as follows:

	Action	Notes
19 July	Outline discussed by Board	
Wc 24 July	Full draft to Board for review and to sponsor team	Two-week turnaround followed by amends
Wc 14 Aug	Revised draft circulated to Board. Also sent to staff, members of the ECCLR Committee and select stakeholders with invitation to comment with three weeks. Artwork / design prepared	
7/8 Sep	Discussion on latest draft at Board meeting	
11 Sep	Revised draft to Chair and Chief Executive	3-4 day turnaround followed by amends
Wc 18 Sep	Submitted to the Cabinet Secretary for ECCLR	Two-week turnaround; further amends
Wc 2 Oct	Revised draft to Board for final review	2-3 day turnaround followed by amends
Wc 9 Oct	Submitted to Cabinet Secretary for final approval	One week turnaround
23 Oct	Final to print	
31 Oct	Launch at parliamentary reception	

Board paper

Financial

8. Production costs have been included in the 2017/18 budget.

Sustainability

9. No significant sustainability impacts. Hard copies will be limited to 300 initially with online uptake encouraged.

Legal implications

10. Production of the corporate plan is a legal requirement under the Crown Estate Scotland (Interim Management) Order 2017.

Risk

11. The corporate plan is a key communication tool that will be part of the overall communication and engagement plan designed to help mitigate risk CES002.¹

People considerations

12. Development and production of the plan will be project managed by Corporate Operations.
13. The wider staff team will be given the chance to comment on the draft plan. The critical role of the staff in delivering against the plan during this interim period should be prominent in messaging, as should the wider aim of ensuring that we have a motivated and engaged staff team.

Reputational / PR implications

14. The corporate plan will be important in setting out our overall positioning as a business including values, strategic objectives etc., as well as our contribution to the Scottish Government's national outcomes. The success of CES will be largely judged on the extent to which the business delivers on this plan – it therefore needs to reflect our collective aspiration and ambition while being mindful of the constraints and parameters (resources, legislation, policy) that we operate within.

¹ This footnote is being treated as closed business and exempt from publication in terms of s33(1)(b) of the Freedom of Information (Scotland) Act 2002