

# 2020-23 Corporate Plan

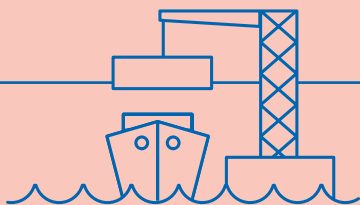


**Crown Estate  
Scotland**  
Oighreachd a' Chrùin Alba

# We invest in property, natural resources and people to generate lasting value for Scotland

## OUR STRATEGIC OBJECTIVES

1.



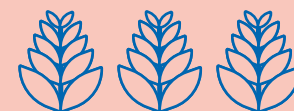
Support the sustainable expansion of Scotland's blue economy, focusing on marine and coastal development

2.



Invest in buildings and help create great places

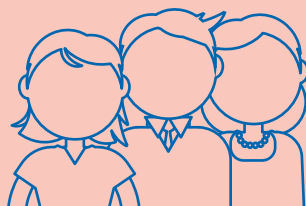
3.



Promote new sustainable ways of using natural resources to produce energy, food and other products

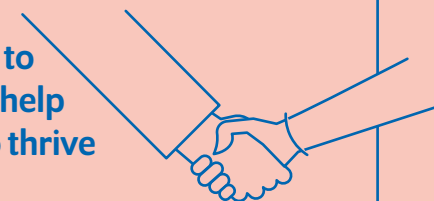
4.

Involve people in how land, coastline and seabed are managed

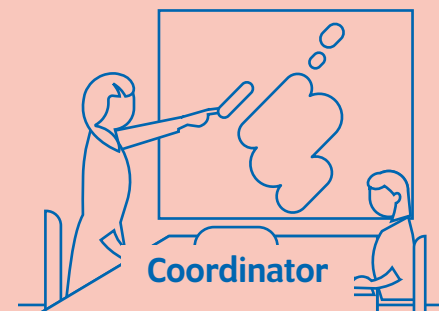
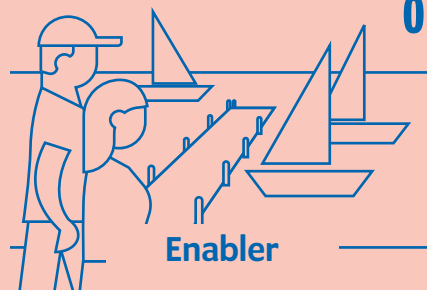


5.

Use our skills and knowledge to deliver financial success and help business and communities to thrive



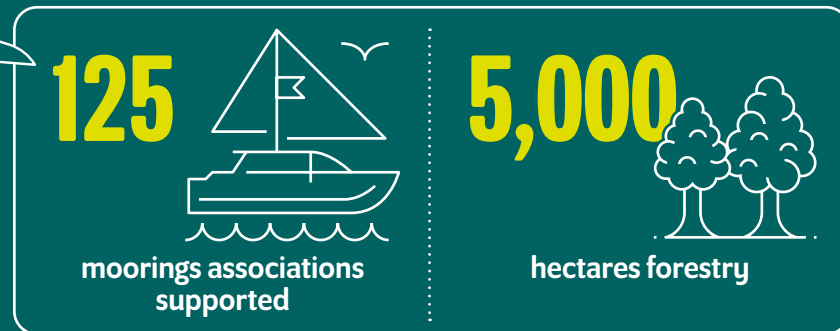
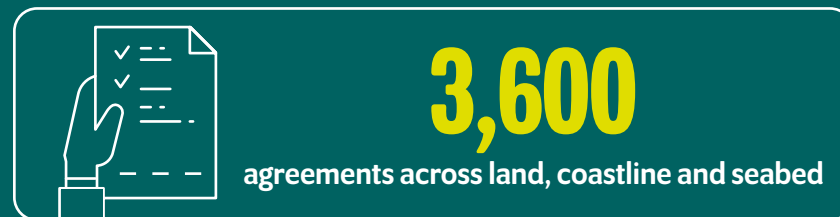
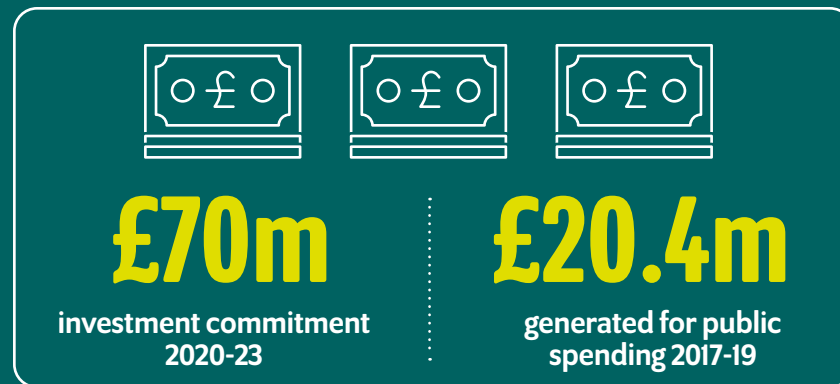
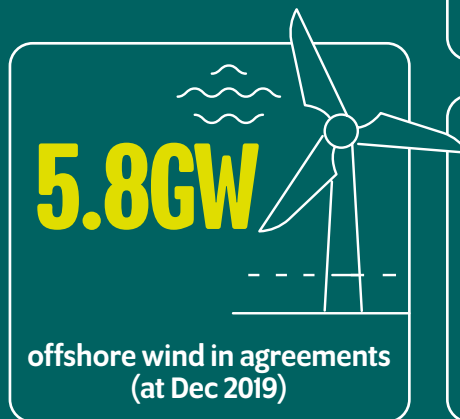
## OUR ROLES



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# Crown Estate Scotland at a glance



# 1. Foreword

Welcome to our 2020-23 Corporate Plan setting out how we will deliver for Scotland.

Crown Estate Scotland<sup>1</sup> is still a very young Scottish public sector body, established in 2017. New legislation, the Scottish Crown Estate Act 2019 ('the Act'), provides for the assets to be managed in a way which delivers greater value beyond financial return and enables other bodies to take on management responsibilities.

Aligning with this legislation, this plan signals an ambitious new approach. Our purpose is clear: investing in property, natural resources and people to generate lasting value for Scotland.

Our work across seabed, coastline, rural estates and more, spans key sectors including offshore renewables, aquaculture, farming and ports & harbours, and it impacts thousands of people and businesses. With this wide reach comes a responsibility to manage the assets in a way that delivers for all, including, importantly, building a net zero emissions economy.

The assets are dynamic, they change according to how we decide to invest, sell, develop and lease. And as global challenges relating to climate change, the economy and well-being intensify, significant opportunities for Scotland are emerging.

Decarbonising economic activity, finding new ways of producing food and building resilient communities all require a joined-up approach across public, private and third sectors. Collaboration is therefore central to what we do.

Another central feature is our financial strength and entrepreneurial approach. It forms the foundation for delivering wider social, economic and environmental value. We are proud to return all revenue profit to Scottish Government.

**A key focus is helping meet Scotland's target of net zero emissions by 2045.**

This plan sets out how we will continue this by raising and reinvesting capital to secure long-term revenue streams, with a key focus on activity that helps meet Scotland's target of net zero emissions by 2045.

To guide us over the coming years, we've developed a strategic framework (see Section 3) bringing together our core values alongside a newly-defined purpose, vision and set of roles. This has been informed by feedback from staff, tenants and stakeholders, and by independent research.

Our work will focus on five key objectives of supporting the blue economy; creating great places; promoting sustainable natural resource use; involving people in how the Estate is managed; and using our skills to benefit others.



Finally, thank you to everyone who has taken the time to help shape this plan. Collectively, Crown Estate Scotland, businesses, communities and tenants can realise the significant opportunities within our grasp. We look forward to working with you.

Amanda Bryan, Chair, Crown Estate Scotland

<sup>1</sup> 'Scottish Crown Estate' refers to the portfolio of land, property and rights in its entirety. Crown Estate Scotland is the organisation that currently manages all the Estate. In future, this may change as other managers take on responsibilities for specific assets

## 2. Introduction

In the sections that follow, we outline what we will do, how we will do it, and how we will monitor and measure success.

This plan aligns with wider Scottish Government policy<sup>2</sup>. Indeed, the Estate provides significant opportunities to deliver on core policy priorities relating to climate change, sustainable food production and a healthy environment, and taking a place-based approach to support inclusive growth.

Please note that the corporate plan is not spatial and does not relate directly to regulatory compliance and / or planning consents, which are not within our remit.

Currently all Scottish Crown Estate assets are managed by Crown Estate Scotland. Other bodies are likely to take on asset management responsibilities during the period of the plan, either through Local Management Pilots Scheme or through transfer and delegations in the Act. This diversification of management – which we welcome and will work to support – is likely to impact the delivery of some elements of this plan.

In line with Scottish Ministers' duties in the Act, Scottish Government has developed a Strategic Management Plan covering the entire Estate. A hierarchy of plans is in Annex 2 and a summary of the Act is in Annex 1.



**The Estate provides significant opportunities to deliver on climate change, a healthy environment, and inclusive growth**

Following a Strategic Environmental Assessment (SEA) of our draft plan, our Post Adoption Statement – along with other impact assessments and screenings – is available on our website.

<sup>2</sup> Including the Scottish Crown Estate Strategic Management Plan, the National Performance Framework, the Energy Strategy, the National Marine Plan, the National Islands Plan, Climate Change Plan, the 2020 Environment Strategy for Scotland Vision and Outcomes, and the Economic Strategy.

# **3. Who we are and what we do**

### 3. Who we are and what we do

Crown Estate Scotland manages assets – seabed, coastline, rural estates and more – that stretch the length and breadth of Scotland.

#### 3.1 Strategic framework

Our core purpose is investing in property, natural resources and people to generate lasting value for Scotland.

This includes delivering excellent tenant service, enhancing revenue and capital value and, ultimately, creating long-term social, environmental and economic benefit. We want to help ensure families, businesses and communities can use the assets to live, work and thrive.

Our work supports the Scottish public sector's overall purpose of creating a more successful country, with opportunities for all of Scotland to flourish through increasing wellbeing, and sustainable and inclusive economic growth.

Scottish Ministers' vision for the Estate is that it is 'managed sustainably, responsibly and fairly, and in a transparent and inclusive manner, to deliver financial benefits and wider and long-term social, economic and environment benefits for Scotland and its communities'.<sup>3</sup>

Our strategic framework (Annex 8) aligns with this. It includes four different roles for Crown Estate Scotland and our values. The latter provide the foundation for our behaviour as an organisation and as employees

and non-executives: how we deliver is as important as what we deliver.

Our objectives focus on Scotland's blue economy, creating great places, natural resource use, and involving people in how land, coastline and seabed are managed. Importantly, we also set out how Crown Estate Scotland will evolve as an organisation, ensuring that our knowledge and financial strength continues to contribute to Scotland's overall success.

The Estate is a unique mix of land, property and rights, with a total property value at March 2019 of £385.8m. It includes ancient rights held by The Crown (e.g. wild salmon fishing) as well historically acquired property (e.g. Glenlivet Estate).

Crown Estate Scotland manages the assets across four categories or types: Marine (Aquaculture; Energy & Infrastructure); Coastal; Rural, and Buildings & Places.

Ownership of the Estate lies with the Monarch and management responsibility sits with Scottish Ministers who in turn delegate to Crown Estate Scotland.

Our Framework Document sets out our roles and responsibilities. Our Chair and Board, who are all non-executives and appointed by Ministers, provide

strategic direction and oversight. More on our governance structure is in Annex 3.

As a public corporation, we are distinct from other forms of public bodies. Our commercial activity is under direct government control, Ministers appoint our Chair and Board, we appoint staff (who are not civil servants), and we manage our own budget.



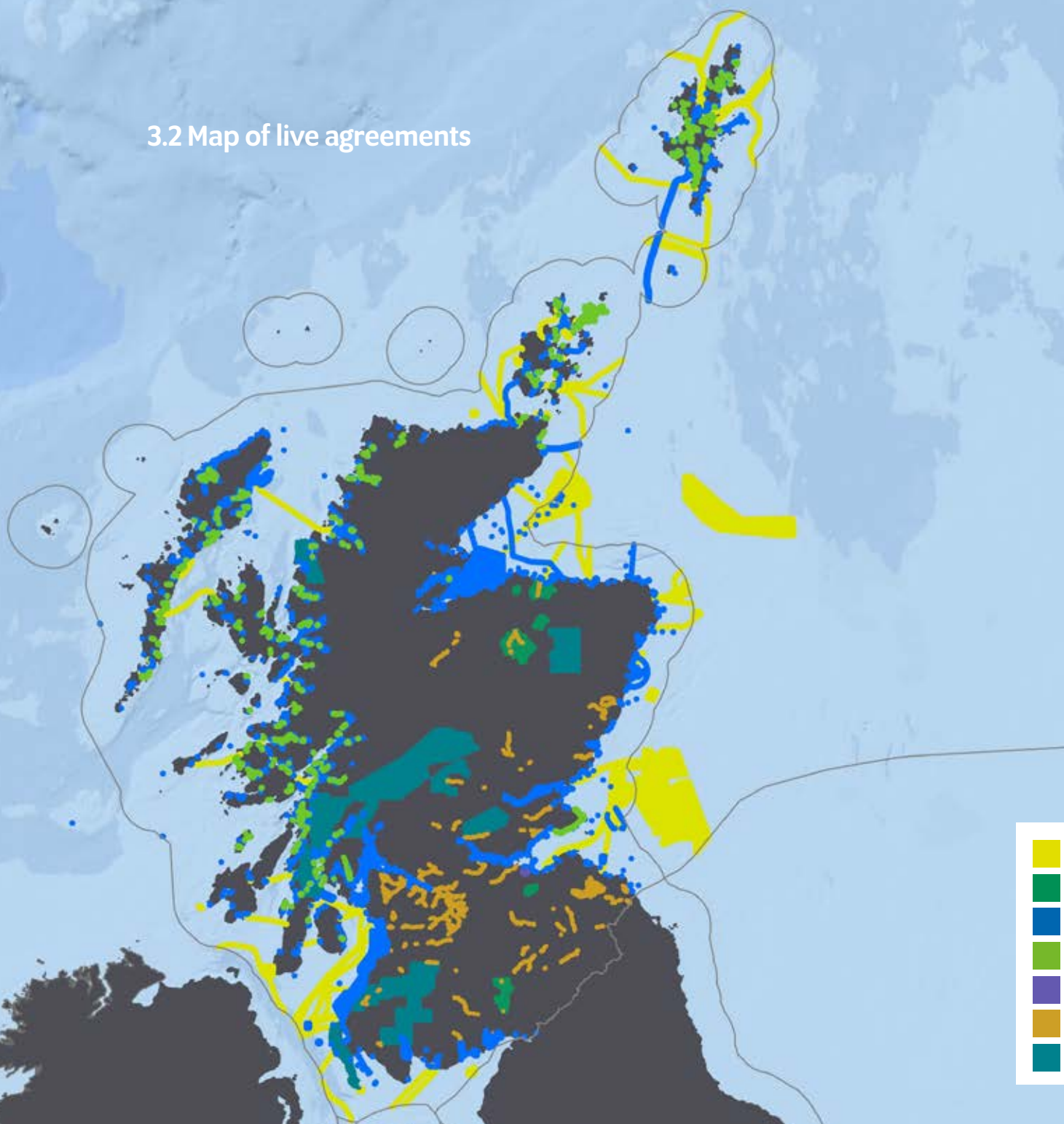
#### **How we deliver is as important as what we deliver**

All our revenue profit goes to the Scottish Consolidated Fund and, ultimately, to Scottish Government to decide how to distribute and use. Capital remains the property of the Monarch and must be reinvested in the Estate.

<sup>3</sup> See <https://www.gov.scot/publications/first-strategic-management-plan-scottish-crown-estate>



### 3.2 Map of live agreements



#### MARINE (ENERGY & INFRASTRUCTURE)

**£187.3m**

Rights to lease seabed for renewable energy generation and gas and carbon dioxide storage out to the 200-nautical mile limit

#### RURAL

**£123.2m**

The Glenlivet, Whitehill, Fochabers and Applegirth estates cover 37,000ha (inc. agricultural, commercial and residential tenancies, 5000ha forestry, sporting and mineral rights)

Rights to fish wild salmon and sea trout in river and coastal areas, as well as rights to naturally-occurring gold & silver across most of Scotland

#### COASTAL

**£33.1m**

Rights to lease seabed out to the 12-nautical mile limit, plus just under half of Scotland's foreshore, for marine infrastructure

#### MARINE (AQUACULTURE)

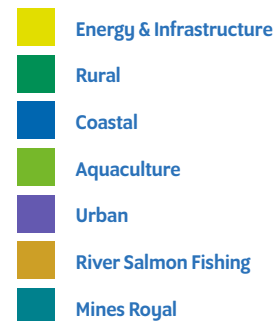
**£26.1m**

Rights to lease seabed for fish farms, plus telecommunication and electricity cables and oil & gas pipelines, out to the 12-nautical mile limit

#### URBAN

**£16.1m**

Currently consists of one property in central Edinburgh with retail and office space



### 3.3 Ways of working

Our success goes hand in hand with that of our tenants.

We support tenants in helping them realise their ambitions, be that a farmer who wants to diversify, a renewable energy developer needing seabed to test technology, or a port seeking to expand capacity. Through this work, we help deliver wider social, environmental and economic value.

We also need to identify emerging opportunities that will deliver revenue and capital growth.

We have approximately 50 staff working across different parts of Scotland and we contract teams of managing agents to provide specialist knowledge and support in rural and coastal areas. This model gives

us flexibility and access to a wide range of expertise whilst helping manage costs.

Across our activity, we provide access to land and property in a way that is designed to:

- Ensure a plan-led approach, leasing in line with statutory plans (e.g. Local Development Plans, sectoral marine plans etc) whenever there is one in place. This helps ensure that our activity is aligned with stakeholder / community interests and reflects considerations related to the environment, equalities etc;
- Create new opportunities for people and organisations in the public, private and third sectors;

- Be open and transparent while respecting commercial confidentiality;
- Encourage diversity in terms of who uses land and property;
- Encourage innovation;
- Manage risk, particularly in relation to health & safety, and ensure that the integrity of assets is protected, and
- Delivers on our statutory duty to maintain and enhance the value of and income from the Estate.

#### OUR ROLES



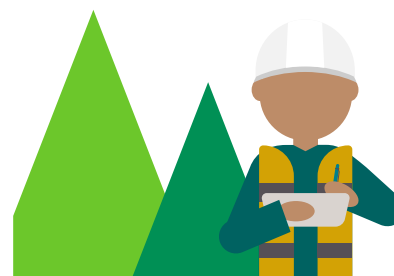
##### INVESTOR

Investing in, for example, property development, as well as building external partnerships and supporting staff.



##### ENABLER

Empowering others by supporting local plans and projects, providing access to property and helping address barriers to sector growth.



##### ASSET MANAGER

Careful management of leases and agreements, as well as direct management of forestry and mountain bike trails.



##### COORDINATOR

Supporting other Scottish Crown Estate managers by, for example, coordinating spatial information.

# 4. What we will deliver

# 4. What we will deliver

In this section we set out our strategic objectives. For each we note our main role/s, and list actions and milestones. We then list financial and non-financial KPIs.

In Annex 4 we detail how the objectives align with the National Performance Framework and the UN’s Sustainable Development Goals. We also provide a wider list of indicators that form part of The Value Project, a framework we are developing to identify the different types of value that our work and the Estate generate.

This framework will then be used to provide evidence for decision-making.

The key capital investment activities from this section are drawn together in the investment strategy in Section 5.

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# Objective 1: Support the sustainable expansion of Scotland's blue economy, focusing on marine and coastal development



## 4.1 Blue economy

Scotland's seabed is a strategic resource and a shared resource. With action on climate change a national and global priority, 2020-23 will see our coastal and marine activity grow to support a net zero emissions economy.

We want this growth – in offshore renewables, aquaculture, coastal infrastructure – to deliver tangible benefits to communities including good quality employment opportunities.

Table 2 covers the blue economy as a whole reflecting how we can connect opportunities in different marine activities / sectors. The following tables cover two types of assets – Marine (Energy & Infrastructure; Aquaculture) and Coastal.

**Table 2: Blue economy – actions and milestones**

NO.	ACTION	MILESTONE
1	Help create and deliver overarching vision for Scotland's blue economy, in line with Scottish Ministers' purpose	Overarching vision developed with stakeholders
2	Invest to support blue economy expansion	Opportunities identified and resource commitment in place, as part of wider investment strategy
3	Deliver excellent tenant service and enable access to seabed to support established and emerging sectors	Independent surveys show high level of tenant satisfaction

### 4.1.1 Marine - Energy & Infrastructure

The Energy & Infrastructure team manage seabed leasing for offshore renewable energy (which is growing in revenue and value), cables and pipelines, and subsea gas storage (including carbon).

Scotland's ambitious target of net zero emissions by 2045 requires a significant increase in offshore renewable electricity generation. Our approach to offshore wind leasing is designed to help deliver this increase and support a just transition by encouraging job creation at different stages of these projects.

Leasing processes are carefully designed to support project delivery, be that a commercial-scale development or a test & demonstration project. Infrastructure

tenants include those who provide critical services and commodities such as operators of cables and pipelines for oil & gas, electricity, and telecommunications.

Importantly, we nurture new activity by funding and supporting strategic research to help sector development.

We work with local authorities, statutory nature conservation bodies and other stakeholders at an early stage before we grant a developer rights, and we align leasing activities with existing plans e.g. the Sectoral Marine Plan for Offshore Wind Energy which provides for a maximum of 10 gigawatt (GW) of new commercial scale offshore wind.

**Table 3: Energy & Infrastructure – actions and milestones**

NO.	ACTION	MILESTONE
4	Invest in measures to remove sector-wide barriers to further offshore wind investment such as: <ul style="list-style-type: none"> <li>• Work with industry and stakeholders to accelerate and de-risk development (e.g. radar, Operations and Maintenance, grid, consenting etc as appropriate);</li> <li>• Work with Marine Scotland in relation to timing of subsequent leasing cycles;</li> <li>• Undertake leasing as required to help deliver Scotland's net zero targets; and</li> <li>• Undertake leasing as required to help ensure Scottish deployment aspirations are achieved</li> </ul>	Tenant and stakeholder surveys show support for our approach Decision taken on future leasing cycles Ongoing capital investment by developers as project developments progress Research with partners to build environmental and socio-economic evidence base completed
5	Enable access to seabed for new offshore wind development, supporting project pipeline and supply chain development	First cycle of ScotWind Leasing (new offshore wind leasing) completed Option agreements in place
6	Work in partnership to develop existing and emerging technologies that offer significant potential value to Scotland (such as infrastructure, hydrogen, wave & tidal, CCS (carbon capture and storage) and floating offshore wind), and identify new opportunities	Progress in new opportunities demonstrated. This may include: <ul style="list-style-type: none"> <li>• Further activity to address barriers to floating offshore wind development, and</li> <li>• Programme of support rolled out to progress local energy systems (including incorporation of emerging technologies)</li> </ul>
7	Help Scotland attract offshore wind inward investment and realise socio-economic benefits through: <ul style="list-style-type: none"> <li>• Providing leasing for a pipeline of projects and appropriately structured agreements (ScotWind Leasing);</li> <li>• Investing resource and expertise (e.g. contribution to SOWEC (Scottish Offshore Wind Energy Council)); and</li> <li>• Supporting delivery of Scotland's Offshore Wind Sector Deal aspirations</li> </ul>	Option and leasing agreements with developer supply chain commitments in place Offshore Wind Sector Deal delivery in Scotland progressed

### 4.1.2 Marine - Aquaculture

As well as providing access to seabed, across the finfish, shellfish and seaweed sectors, we invest in research & development (R&D) that enhances sustainability and explores areas of potential growth.

An important part of what we do is supporting 'interactions management' i.e. leasing in a way that protects and respects other users of the marine environment (actions related to wild salmonids are in Section 4.3).

Our review of leasing terms and conditions and work to support implementation of the Scottish Parliament's Rural Economy and Connectivity Committee's Report will

help encourage use of the seabed that is sustainable, responsible and productive. In the long-term, this will help safeguard aquaculture businesses, many of which form a critical element of the Highlands & Islands economy.

Linked to this is our Local Management Pilots Scheme which is testing different models for increasing local stakeholders' role in decision-making related to the assets.

Aquaculture actions below are designed to make best use of seabed, promote high standards, and share the financial benefits.

**Table 4: Aquaculture – actions and milestones**

NO.	ACTION	MILESTONE
8	Contribute to the development of sustainable finfish production and implementation of the Scottish Parliament's Rural Economy and Connectivity Committee Report through: <ul style="list-style-type: none"> <li>Supporting R&amp;D on sustainable finfish production ensuring efficient and responsible allocation of seabed;</li> <li>Working with regulators and industry in relation to location of finfish sites;</li> <li>Identifying learnings from Local Management Pilots Scheme (see Section 4.5) and share with others; and</li> <li>Providing guidance to developers as 'first point of contact' to assist in progressing optimal sites and minimising burden on stakeholders later in process.</li> </ul>	<p>Knowledge database developed (encompassing regulatory / policy / stakeholder considerations, natural heritage, marine user, and local terrestrial interest) that can inform pre-application consultation with and by prospective developers</p> <p>Suite of projects that contribute to sustainable finfish production delivered (in partnership with Marine Scotland)</p> <p>Robust, tested protocol in place (following joint working with regulators and industry) to measure lice levels on wild fish</p> <p>Up-to-date definition of (sea-lice) management areas in place following work with stakeholders. This can then be applied to current and future developments</p> <p>Lease requirements strengthened (e.g. requiring tenant to participate in area management agreements to enable effective implementation of Environmental Management Plans)</p>
9	Strengthen economic feasibility of shellfish opportunities	Critical Mass pilot for either Argyll & Bute or Highland commissioned (tbc following current pilot)
10	Contribute to Scottish Government review of seaweed harvesting regulatory regime	<p>Agreed changes relating to our role implemented</p> <p>Support provided for specific projects required to inform recommendations</p>
11	Improve co-existence between tenants to help both promote higher standards (within and across sectors) and improve collaboration and potential business success	Informed advice, guidance and agreements (e.g. Special Purpose Vehicles) developed to facilitate co-existence and collaboration of marine businesses
12	Revise leasing terms to ensure lasting value for Scotland from seabed leasing for aquaculture	Root & branch review of all aquaculture sectors complete and implemented, with future leasing terms appropriately reflecting the value of seabed and changing status of different industries



### 4.1.3 Coastal assets

This section focusses on management of existing Coastal assets. Our Coastal Framework, in Annex 6, brings together a wider set of activity in relation to Scotland's coastline.

Scotland's coastline, where land meets sea, hosts a range of economic and social activities - many of which have defined coastal communities for decades gone by.

Our team manages just under half of the foreshore and most of the seabed out to the 12-nautical mile limit, leasing rights for infrastructure, e.g. ports and harbours, marinas, bridges, cables, pipes and moorings, as well as dredging.

We manage leasing in a way that reflects the importance of the coast in sustaining livelihoods, supporting transport and connectivity, and providing a focal point for community life.

A strategic approach to ports & harbours and marine tourism combined with support for locally-led regeneration and sustainability will deliver long-term benefits for coastal communities.

We help coastal communities manage their local marine resource e.g. through local authority regulating leases and mooring associations, and support marine leisure tourism by providing information, knowledge and expertise at a local and national level.

Our representatives around the west and north coast support over 120 local moorings associations, and we recognise how critical these and other facilities such as pontoons are.

**Table 5: Coastal – actions and milestones**

NO.	ACTION	MILESTONE
13	Implement the Coastal Framework to meet business targets, manage agreements efficiently and support the development of ports & harbours, maritime transport, oil and gas infrastructure, marine tourism, utilities and private/ commercial development	Framework implementation on track New agreements and renewals in place according to agreed timetables Local partnership projects in place (see action 32)
14	Work in partnership to identify opportunities for investment to grow revenue and capital value, deliver benefits to coastal communities and support the blue economy, with a focus on: <ul style="list-style-type: none"> <li>• Ports and harbours;</li> <li>• Boat-based tourism; and</li> <li>• Coastal development land</li> </ul>	Capital committed, in line with wider investment strategy Pipeline of projects for investment agreed and under development
15	Support local regeneration and sustainability, particularly in coastal areas, by rolling-out Sustainable Communities Fund	Fund launched in 2020 Year of Coasts and Waters
16	Improve business processes using IT solutions to develop high-quality tenant service and improved communication with our tenants and stakeholders	Communications plan developed and implemented (aligning with wider changes to local partnership working and community engagement, see action 31) Systems and processes developed and in place to support asset management and investment activity
17	Review charging in relation to coastal infrastructure and facilities to fully align with our duty to promote sustainable development	Review complete Policy and process published
18	Progress voluntary registration of Crown foreshore to safeguard Scottish Crown Estate value and contribute to Scottish Government targets on land registration	Uncontested foreshore registration complete

## Objective 2: Invest in buildings and help create great places



## 4.2 Buildings & places

Buildings and places are a key area for investment, drawing on our experience of working with the private, public and third sectors.

The initial focus will be on the existing Estate, identifying opportunities to unlock and add value. However, we will seek new opportunities through acquisition and partnership working that will promote inclusive growth.

The Place Principle will guide much of our work, with local collaboration helping to ensure that activity benefits all. Development will be plan-led, aligning with Local Development Plans as appropriate.

Targets below reflect the long-term nature of this type of work, with land and property values providing early indicators of performance and wider value likely to materialise in the years following this plan.

**Table 6: Buildings & Places – actions and milestones**

NO.	ACTIONS	MILESTONES
19	Pursue consents for appropriate planning uses on existing development land holdings and establish development delivery partnerships	Land and property values increased; capital committed to projects based on assessment of wider value (see investment criteria in Section 5)
20	Implement development projects on the existing estate (likely to include a mix of uses including residential and commercial)	Land and property values increased; capital committed to projects based on assessment of wider value
21	Explore and further opportunities for new development activities with partners, including coastal regeneration projects, as part of wider investment strategy	Strategic partnership working in place Investment strategy implementation in progress to deliver wider value

## Objective 3: Promote new sustainable ways of using natural resources to produce energy, food and other products



### 4.3 Natural resource

Our support for natural resource management will see us collaborate with tenants and sectors in farming, aquaculture and wild salmon fishing.

Our proposals, driven by our commitment to environmental well-being, include protecting natural capital, finding new ways of producing food on land and at sea, and exploring emerging market opportunities.

The Scottish Crown Estate includes four rural estates, rights to minerals, wild salmon fishings and more.

We want to help build a sustainable future for Scottish farming and rural communities and be an exemplar asset manager. We will therefore support initiatives that help farmers transition to financially viable business models and contribute to climate change mitigation, for example through integrated land management and sustainable food production.

Supporting innovation, as well as promoting biodiversity (e.g. woodland creation) and reviewing local engagement, was encouraged by those who responded to our rural assets consultation in 2019 (which led to the Rural Framework in Annex 5).



**Our proposals include protecting natural capital, finding new ways of producing food, and exploring emerging market opportunities**

Support for wild salmon conservation and investment on the forested estate will also be delivered, recognising the social and environmental benefits that these sectors bring.

As well as activity on the rural assets, this objective also covers work related to marine natural resources including seaweed and shellfish research, and marine litter.

Table 7: Natural resource – actions and milestones

NO.	ACTION	MILESTONE
22	Support, promote and facilitate more diverse, sustainable and financially viable agricultural businesses through farm restructures, ongoing investment and by working with tenants to enable business planning in response to changes in policy / economics	Minimum of three new entrants or facilitation of succession to next generation Integrated Land Management Plans promoted across core holdings At least three demonstrator projects with tenants in place Complete voluntary tenancy restructures / reorganisations Scottish Government's Scottish Land Matching initiative supported with minimum two uptakes Success of women-led rural businesses promoted through communications and events
23	Promote sustainable use of natural resources and position Crown Estate Scotland as a leader in natural capital management with a focus on biodiversity, soil and water health, biosecurity, carbon and environmental / ecosystem resilience	Natural capital approach embedded by: <ul style="list-style-type: none"> <li>• Delivering programme of support including workshops at each rural estate;</li> <li>• Completing natural capital assessment of key rural assets' natural capital to identify opportunities for improvements;</li> <li>• Continuing work with agricultural tenants and other partners to embed natural capital approach in business management; and</li> <li>• Explore opportunities for carbon sequestration</li> </ul>
24	Carry out research and other initiatives to support long-term sustainability of the wild fisheries sector	Measures to help address wild salmon population decline implemented, including research projects Protocol in place to measure lice levels on wild fish in fish farming areas (see action 8)
25	Deliver Rural Framework (see Annex 5) to enhance economic productivity and sustainability across rural properties and communities (including capital raised for re-investment, investment in infrastructure and repairs, woodland creation and environmental enhancement and improvements to residential properties)	Conditions survey actions complete Minimum one renewable energy project progressed Rural land assets sold to raise capital for reinvestment (in line with investment strategy in Section 5) Capital committed to new or existing assets including infrastructure improvements and woodland creation in line with budget targets Natural capital approach embedded (see action 23) Refurbish at least three residential properties Residential energy efficiency standards improved
26	Support innovation through co-investing with tenants / partners	Innovation fund developed and launched (fund will be designed to open up opportunities to wide range of tenants / partners)
27	Increase local community involvement in decisions relating to land through evidence-based plans. These will be developed by proactively working with tenants, communities, local councils and development trusts and other key stakeholders	Clear plans in place for rural land assets following best practice engagement (aligning with Scottish Government's Guidance on Engaging Communities in decisions relating to land and Scottish Land Commission advice) Opportunities for rural housing development identified
28	Investigate new market opportunities for shellfish, for example, product and market opportunities for cultivated bivalve shellfish in biotech as well as food	Project completed and recommendations shared with industry
29	Investigate new market opportunity for economically feasible sustainable seaweed utilisation, particularly through cultivation <sup>4</sup>	Project established, such as piloting a cultivated seaweed value chain, incorporating cultivators, food, marine biotech, energy and digestate utilisation to confirm economic viability
30	Help tackle marine litter	Minimum of two projects delivered, working with key sectors e.g. aquaculture

<sup>4</sup> Cultivation is distinct from harvesting, the latter being subject to a review of the regulatory regime.

## Objective 4: Involve people in how land, coastline and seabed are managed



## 4.4 Involving people

This objective is focussed on empowering communities to deliver wider value, particularly social and environmental well-being and locally-led development. It includes investment that may have a different financial threshold to other types of investment.

Feedback suggests that coastal communities would welcome support for sustainable development projects. We will therefore launch a new Sustainable Communities Fund in 2020 Year of Coasts and Waters. We want meaningful collaboration with communities. That requires us formalising our approach to community engagement and making a clear commitment to how we will work with others at a local level.

This section also covers how we will work with and support other managers of Scottish Crown Estate assets once the transfer and delegation mechanisms in the Act have been implemented, creating new opportunities and building on our existing Local Management Pilots Scheme.

**Table 8: Involving people – actions and milestones**

NO.	ACTION	MILESTONES
15	Support local regeneration and sustainability, particularly in coastal areas, through a Sustainable Communities Fund	Fund launched in 2020 the Year of Coasts and Waters
31	Refresh tenant and local partner collaboration and engagement in line with principles of the Scottish Land Rights & Responsibilities Statement	Community engagement strategy in place drawing on best practice and guidance from, for example, the Scottish Land Commission and Scottish Government Engagement competency framework for staff in place
32	Encourage local empowerment by: <ul style="list-style-type: none"> <li>• Supporting implementation of Local Management Pilots Projects;</li> <li>• Assessing Pilots process and developing recommendations to inform how opportunities in the Act may be realised; and</li> <li>• Supporting range of other initiatives including Local Place Plans and Regional Land Use Partnerships.</li> </ul>	Pilot projects implemented Review of Pilots process complete; recommendations shared to inform future devolution through the Act Range of other projects that deliver sustainable development in progress
33	Pilot a new approach to balancing financial and wider value benefits in decision-making Ensure decision-making processes and tools are inclusive	Processes developed through The Value Project embedded and used to inform reporting, engagement and communication Islands Communities Impact Assessment and Equality Duty embedded in internal decision-making processes
34	Support Marine Scotland's roll-out of Regional Marine Planning Partnerships (RMPPs)	Support for RMPPs delivered
35	Aim to recruit a Board observer in 2020-21 to enhance diversity	Board observer recruited
36	Support range of educational activities to equip children and young people with environmental and / or STEM-based skills	Educational projects delivered / supported, including those in STEM, and groups hosted at Glenlivet Estate



## **Objective 5: Use our skills and knowledge to deliver financial success and help business and communities to thrive**



## 4.5 Delivering success

Crown Estate Scotland is still a new organisation and our team have managed significant change.

The Act creates a wider remit for us as an organisation. We need the right capacity and capability in place to ensure we can make the most of the new opportunities it presents. We therefore anticipate a modest amount of growth in the number of staff and will also invest in training and skills.

Our ongoing financial success is critical in meeting our legal duties and ensuring we can contribute to public spending through the revenue we pay to Scottish Government for Ministers to distribute.

The priorities listed below are designed to strengthen resilience and fully deliver on those opportunities.

**Table 9: Delivering success – actions and milestones**

NO.	ACTION	MILESTONES
37	Develop and implement Crown Estate Scotland Climate Change Action Plan covering direct emissions and how we will influence tenant activities to reduce indirect emissions. This plan will align with the just transition principles (set out in the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019) and include exploring opportunities for carbon sequestration	Plan implementation on track
38	Deliver revenue profit to Scottish Government and continue to grow capital value of Scottish Crown Estate managed by Crown Estate Scotland	Total of £24m revenue returned to Scottish Government Valuation increased
39	Embed Health & Safety framework and culture of excellence across all business areas to ensure Crown Estate Scotland is an exemplar in H&S management	Achieve appropriate accreditation for H&S management Ensure all relevant staff complete / refresh IOSH Managing Safely (or equivalent) training course
40	Embed the duties in the Act and ensure ongoing alignment with Scottish Government policy through further development of processes and project management tools. These will support, assess, monitor and evidence Crown Estate Scotland activity including, for example: <ul style="list-style-type: none"> <li>• individual transactions;</li> <li>• 2020-23 Corporate Plan implementation;</li> <li>• policy alignment; and</li> <li>• legislative compliance as new requirements come into force.</li> </ul> This would include duties relating to furthering sustainable development as defined in Section 7 of the Act	The Value Project processes and guidance developed and in use across the organisation Further changes to decision-making implemented to ensure alignment with the Act SEA monitoring plan implemented
41	Enhance our communications in line with best practice to help deliver excellent tenant service and wider transparency, reflecting the principles of the Scottish Land Rights & Responsibilities Statement	Review of digital communications complete Communications strategy implemented, including more bespoke tenant communications and a focus on accessibility High levels of awareness and transparency evidenced in tenant and stakeholder feedback

42	<p>Further strengthen governance and data management by:</p> <ul style="list-style-type: none"> <li>• Implementing and embedding Records Management Plan, and working towards reassessment</li> <li>• Implementing recommendations from the 2019-20 review of Board effectiveness</li> <li>• Review corporate governance (including reporting) and implement any recommendations</li> <li>• Develop guidance and protocols for access and use of records for other managers</li> </ul>	<p>Annual performance reports demonstrating progress published on our website</p> <p>Evidence submitted to Keeper of National Records of Scotland to support request for reassessment</p> <p>Recommended actions complete</p> <p>Review by internal audit complete</p> <p>Guidance and protocols in place and workshops / support rolled-out as required</p>
43	Land registration progressed to contribute to Scottish Government targets	Voluntary registration of rural assets and of uncontested foreshore complete
44	<p>Implement our People Strategy aligned with Fair Work principles of security, respect, effective voice, opportunity and fulfilment. This will include:</p> <ul style="list-style-type: none"> <li>• Building the resilience, capacity and capabilities of our workforce;</li> <li>• Implementing new competency frameworks;</li> <li>• Developing new ways to ensure staff can influence decision-making;</li> <li>• Carrying out an annual staff survey and implementing subsequent action plan;</li> <li>• Involving the recognised trade union, PCS, in decisions relating to staff; and</li> <li>• Strengthening our commitment to equality and diversity.</li> </ul>	<p>Changes from review of balance of in-house / outsourced support implemented</p> <p>Competency frameworks in place supported by learning and development programme</p> <p>Staff survey shows employees can influence decision-making</p> <p>Staff survey shows high level of engagement and satisfaction</p> <p>Equality and diversity monitoring in place; regular training delivered to staff and managing agents</p>
45	Secure new alternative office accommodation based on 'smarter workplace' principles and the need for increased local engagement / partnership working	Relocation complete

## 4.6 Measuring success

Over the period of this plan, our Annual Reports & Accounts will track progress and provide ‘performance at a glance’ updates on the following key performance indicators (KPIs):

**GW OFFSHORE RENEWABLES IN SEABED AGREEMENTS**

**PRODUCTION CAPACITY IN NEW FINFISH AGREEMENTS**

**TOTAL CAPITAL COMMITTED**  
(target approximately £70m by 2023)

**CAPITAL COMMITTED TO PLACE-BASED PROJECTS / ACTIVITIES**

**CAPITAL COMMITTED TO BLUE ECONOMY PROJECTS (E.G. PORTS & HARBOURS)**

**NUMBER OF PROJECTS PROMOTING SUSTAINABLE NATURAL RESOURCE USE**

**NUMBER OF PROJECTS ENCOURAGING PEOPLE TO BE MORE INVOLVED IN HOW LAND, COAST AND SEABED ARE MANAGED**

**NET REVENUE PROFIT**  
(target minimum total of £24m returned to Scottish Government)

**CAPITAL VALUATION (AS ASSESSED IN ANNUAL VALUATION)**

**STAFF FEEDBACK / SATISFACTION**  
(2023 targets include 15% increase on 2019 baseline for staff satisfaction with employer, and employee engagement score aligns with core Scottish Government score)

**TENANT AND STAKEHOLDER SATISFACTION**  
(targets include increase or no change in tenant satisfaction and increase or no change in stakeholder favourability). Progress to be measured in independent surveys, with baselines taken from most recent surveys prior to plan period.

# 5. Investment strategy

## 5. Investment strategy

Throughout this plan we have outlined potential areas of investment that are in line with our statutory duties under the 2019 Act and Scotland's climate change legislation, and with our overarching purpose of 'investing in property, natural resources and people to generate lasting value for Scotland'.

The blue economy and buildings and places are the principal foci of our investment strategy. We will also invest in rural infrastructure and local partnership projects and ensure we meet capital expenditure needs on the farming and forest estate.



**Decisions on investments will include non-financial criteria including contribution to Scotland's net zero targets.**

Decisions on investments will include non-financial criteria including contribution to Scotland's net zero targets. For some partnerships, we may adopt different financial tests. This would be balanced with other investment so that our overall approach to capital growth aligns with our risk management policy and our statutory duties.

At this stage, we estimate total committed capital investment over the plan period at approximately £70m. This is based on raising £40m to add to our existing reserves through marine and coastal agreements and sales of rural and built environment assets. This is a bold programme of sales to release capital for reinvestment in a way that adds value both financially and in delivering wider value. Not all assets can be sold. Most opportunities for sales are on the rural estates.

An indication of how this capital raising target may be achieved is:

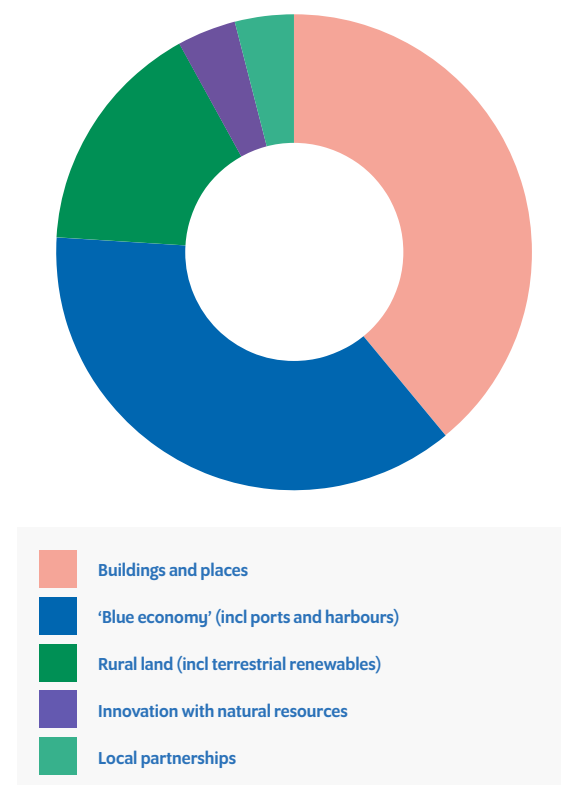
- £12m from marine asset agreements, mainly linked to offshore renewable energy leases.
- £1m from coastal asset agreements, mainly related to dredging income.
- £27m from rural land assets (which includes farms, other agricultural land, forestry, fishing rights and mineral assets), and built development sales and opportunities.

Agricultural assets make up about two-thirds of the value of our rural land assets and so sale of farms and agricultural land will form part of this strategy. We will work with tenants to identify opportunities for capital release that fit well with their aspirations.

## 5.1 Investment priorities

Below we indicate how that £70m may be apportioned between five different priorities. We will include further breakdowns in our annual business plans.

**Indicative investment priorities  
(based on £70m capital investment fund)**



Built environment is a focus because it provides significant opportunities to generate value for Scotland both financially and through contributing to sustainable development and inclusive growth. Development opportunities are being sought on the existing Scottish Crown Estate, but we will also look more widely at where our investments can best make a positive contribution, particularly in regeneration in coastal areas.

Crown Estate Scotland supports the Place Principle<sup>5</sup>. The Place Principle is intended to provide a collective focus to support inclusive economic growth and create places which are both successful and sustainable. We recognise that to make a meaningful difference, we will need to focus our capital investment in just a few priority areas. We are open to what types of development are needed to unlock potential in these areas.

We will work with local authorities and other potential partners to identify priority locations for investment and the types of development that can best meet our financial, sustainable development and regeneration objectives. Where appropriate, we will consider development of vacant and derelict land.

Ports and harbours are catalysts for economic development that then bring significant benefits to communities. We will work with enterprise agencies, port authorities and others to identify targeted investments.

Four distinct subsectors are emerging from initial scoping:

- Port infrastructure supporting the offshore wind sector;
- Deep water facilities for cruise liners and other sectors;

- Infrastructure supporting boat-based tourism; and
- Development land associated with ports and harbours.

Other blue economy investments may include offshore renewables.

We will continue to invest in our rural land holdings, prioritising projects that add most value. The initial focus will be on infrastructure improvements for our farming tenants and rural business partners, including items identified in the 2018-19 condition survey. We will seek opportunities to invest in woodland creation where this makes best use of land. We also see potential in terrestrial renewable energy and may partner with energy developers, tenants and communities, to help to tackle climate change.

Scotland's primary industries, including agriculture and aquaculture, face a time of unprecedented change. We will identify opportunities to co-invest in projects that innovate with natural resources to create a sustainable future. We will engage with stakeholders to design an investment challenge fund open to as wide a range of tenants and partners as possible.

We will also identify a capital budget for co-investing through local partnerships with, for example, community development trusts or local authorities to make a meaningful contribution to sustainable development linked to the Scottish Crown Estate.

Investment criteria reflects our duties to deliver revenue and capital value increase as well as promote sustainable development.

<sup>5</sup> See <https://www.gov.scot/publications/place-principle-introduction>

**Table 10: Investment criteria**

STRATEGIC	VALUE	COMMERCIAL	FINANCIAL	MANAGEMENT
Alignment with Corporate Plan	Economic contribution	Strength of Business Plan	Threshold IRR	Project complexity
National / regional contribution	Community / social wellbeing	Leverage (catalyst)	Discounted payback period	Operational fit
Stakeholder support	Regeneration	Partners' track record	Capital value growth	Right scale
	Environmental sustainability	Financial readiness	Set up cost and management overhead	Potential liabilities
	Climate change (adaptation & mitigation)	Security and ranking	Capital exit	State aids compliance

## 5.2 Scoping and decision processes

This investment strategy signals a step change for Crown Estate Scotland in terms of both approach and scale. Four broad stages may be involved for non-routine investments.

Crown Estate Scotland is developing new processes for operational decision-making. Capital investments and major asset sales will be amongst the most substantial decisions and will therefore drive how we design these processes.

Business cases will be based on the Treasury Green Book '5 case model', recommended for use by the Scottish Public Finance Manual (SPFM). Each 'case' is interconnected, but distinct.

The full business case should enable the organisation and its stakeholders to ascertain that proposals:

- Are supported by a robust rationale – the Strategic Case;
- Deliver value for money and Best Value – the Economic Case (referred to in Table 10 as the Value Case);
- Are commercially viable – the Commercial Case;
- Are financially affordable – the Financial Case; and
- Can be delivered successfully – the Management Case.

**Table 11: Stages for non-routine investments**

STAGE	SCHEME OR 'CALL' APPROACH	INDIVIDUAL INVESTMENT APPROACH
1	Design scheme with stakeholder engagement	Determine investment priorities for each sector based on stakeholder engagement and 'soft market testing'
2	Open scheme or put out call for business cases	Identify strategic partnerships and specific investment opportunities
3	Evaluate business cases	Develop and evaluate business cases
4	Make investment decisions	Make investment decisions



# 6. Summary Budget

## 6 Summary budget

We will return minimum £24m net revenue to Scottish Government from activity in 2020-23.

At this stage, we estimate committed capital investment as totalling approximately £70m by the end of the plan period. This is based on raising £40m to add to our existing reserves through marine and coastal agreements, and sales of rural and built environment assets. Further detail on how this may be achieved is in Section 5.

During 2017-20, as our remit has expanded and our team grown, costs have increased. To provide capacity to invest in external engagement and organisational resilience, the number of FTE staff rose from 35 in March 2018 to 48 in December 2019. We expect this increase to stabilise by the end of 2021-22.

In 2020-21, our office move, prompted by lease expiry at our current Edinburgh location, will increase ongoing annual costs.

Please note that we are currently reorganising financial data related to some asset classifications. Our Urban property (39-41 George St, Edinburgh) along with some Rural and Coastal assets will soon be reclassified as Buildings & Places.

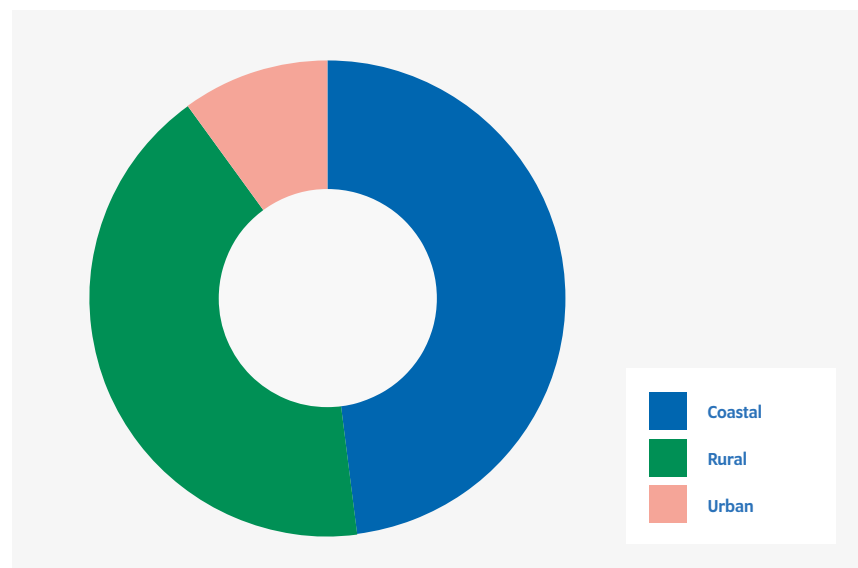
**Table 12: Gross revenue 2020-21 £m**

Gross revenue	2020-21
Coastal	4.0
Rural	3.5
Urban	0.8
Energy & Infrastructure	8.1
Aquaculture	5.2
<b>Total</b>	<b>21.6</b>

**Table 13: Revenue 2020-23 £m**

	2020-21	2021-22	2022-23
<b>Gross</b>	21.6	24.6	28.4
<b>Total costs</b>	(11.0)	(12.1)	(12.9)
<b>Statutory transfers</b>	(2.0)	(2.0)	(2.2)
<b>Revenue profit paid to Scottish Government</b>	8.6	10.6	13.3

Rural, Coastal, Urban



Marine (Energy, Infrastructure and Aquaculture)

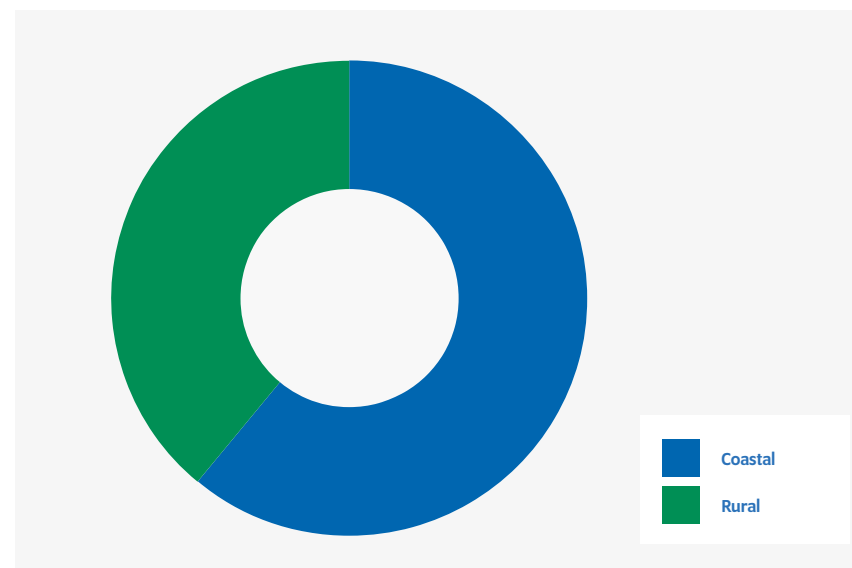


Table 14: Capital 2020-21 £m

Receipts	
Rural, Coastal & Urban	4.0
Marine (Energy, Infrastructure & Aquaculture)	9.2
	<b>13.2</b>
Transfers from revenue to capital	
	2.0
Expenditure	
Rural, Coastal & Urban	(7.7)
Marine (Energy, Infrastructure & Aquaculture)	(1.3)
Admin	(1.2)
	<b>(10.2)</b>
<b>Net</b>	<b>5.0</b>

Table 15: Capital 2020-23 £m

	2020-21	2021-22	2022-23
<b>Receipts</b>	13.2	16.0	12.8
<b>Statutory transfers</b>	2.0	2.0	2.2
<b>Expenditure</b>	(10.2)	(16.2)	(21.2)
<b>Net</b>	5.0	1.8	(6.2)

# 7. Good Governance

## 7 Good governance

Our governance structure is in Annex 3 and our annual Governance Statements are included in our Annual Report and Accounts, published at [www.crownstatescotland.com](http://www.crownstatescotland.com).

### Overview of risk management policy

Crown Estate Scotland maintains a well-established Risk Management Framework, overseen by the Audit & Risk Committee. Our approach to risk management aligns with the Scottish Public Finance Manual (SPFM) and is designed to:

- Facilitate identification of risk priorities (particularly the most significant risk issues);
- Capture the reasons for decisions made about what is and is not tolerable exposure;
- Facilitate recording of the way in which it is decided to address risk;
- Allow all those concerned with risk management to see the overall risk profile and how their areas of responsibility fit into it; and
- Facilitate review and monitoring of risks.

Risk mitigations include processes and controls, transferring liabilities, informing and analysing emerging policy and close working with tenants and wider stakeholders. Our expertise – both in the core staff team and in our wider pool of outsourced support – plays a crucial role in identifying and managing risk.

The risk management system includes processes for the identification, evaluation and mitigation of risk. Review and reporting of risk is undertaken at a strategic, operational and project level. Each identified risk has a designated owner and actions are taken to manage the risk accordingly. As new or changed risks emerge, they are identified, evaluated, reviewed for alignment with the business plan and escalated if appropriate.



### **Our expertise plays a crucial role in identifying and managing risk**

All strategic level risks are actively managed, reviewed and updated by the Executive Team and reported to the Audit & Risk Committee on a quarterly basis and to the Board on at least an annual basis or as deemed appropriate.

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[www.crownestatescotland.com](http://www.crownestatescotland.com)



# **Annexes**







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## Annex 1: Scottish Crown Estate Act 2019 summary

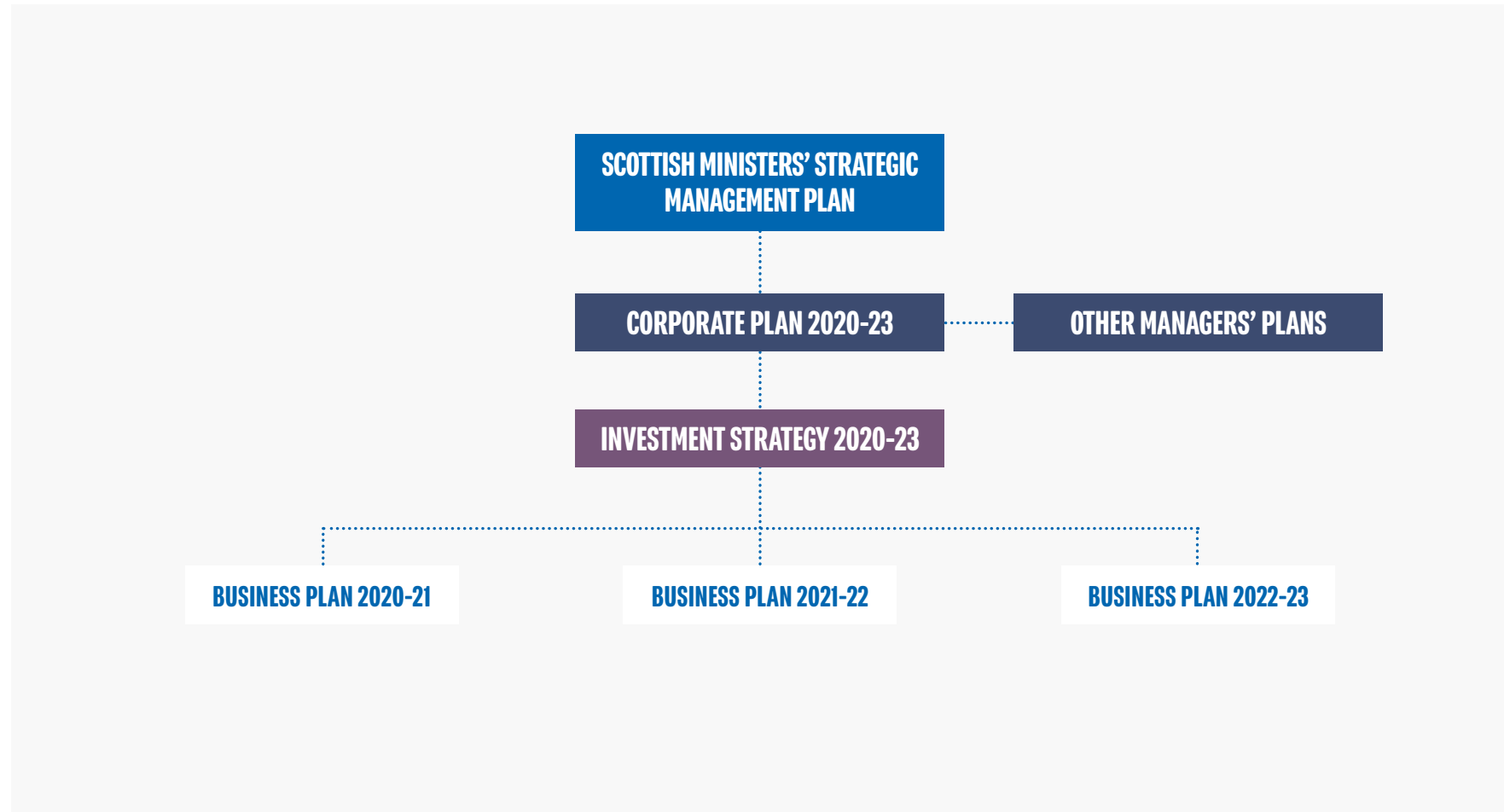
### Scottish Crown Estate Act 2019

The primary legislation governing management of the assets is the Scottish Crown Estate Act 2019 ('the Act').

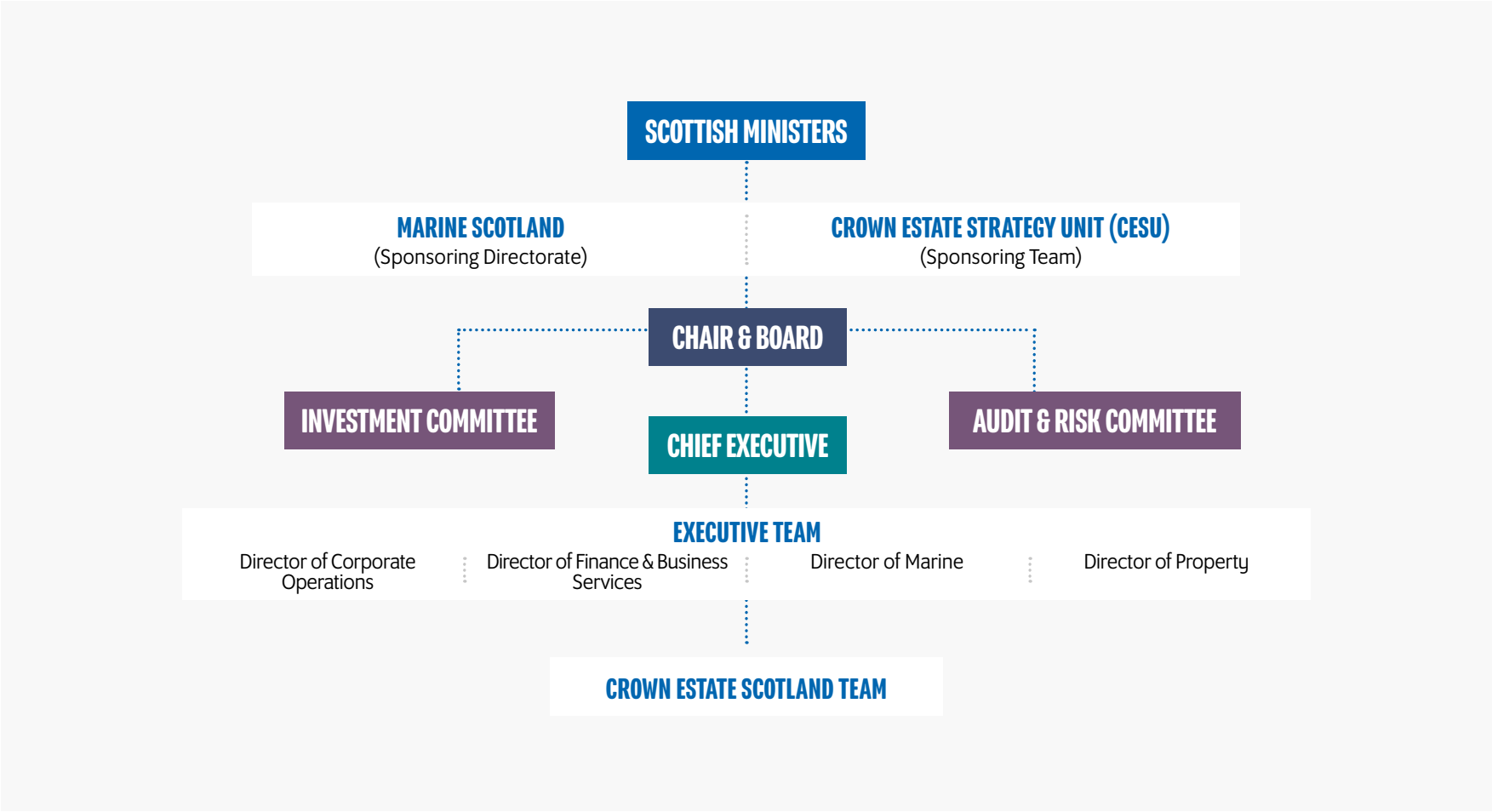
#### The Act

- Sets a duty on Scottish Ministers to develop a strategic management plan setting out Ministers' objectives, priorities and policies in relation to the management of the Scottish Crown Estate. All managers including Crown Estate Scotland are required to align their activities with this plan.
- Allows eligible bodies ('managers') (e.g. local authorities, harbour authorities, Scottish Ministers, other public bodies and community organisations), to take on responsibility for specific assets, potentially in partnership or with support from us (for instance, Crown Estate Scotland may act as coordinator of geo-spatial or financial information).
- Sets a duty on all managers, including Crown Estate Scotland, to maintain and seek to enhance the value of the assets in a way that furthers sustainable development in Scotland, specifically economic development; regeneration; social wellbeing; and environmental wellbeing.
- Contains further provisions relating to managers' powers and duties, reporting, financial matters and compliance with Ministerial Directions. The Act therefore creates a new national framework to underpin a mix of national and local management of assets by different organisations and bodies.

## Annex 2: Plan Hierarchy



# Annex 3: Governance structure



## Annex 4: Identifying and assessing value

Below we map our strategic objectives to the National Performance Framework (NPF), the UN's Sustainable Development Goals (SDGs) and a wider set of value indicators.

This wider set forms part of The Value Project, a framework we are developing to identify the different types of value (economic, social, environmental and regeneration) currently generated through our management of the Estate and where there is greatest opportunity to add value in the future.

The Value Project will provide a set of resources that enable our asset managers to consistently and systematically present data and information about the wider benefits (economic, social, environmental and regeneration) that could be realised from our investment decisions. These resources will include a value library; value profiles for the types of asset that we manage; and a value decision support framework, the outputs of which will feed into business cases for investment

decisions. This is a key part of wider work to embed the duties in the Scottish Crown Estate Act 2019 and deliver on our purpose.

Value evidence will be both quantitative and qualitative. Sources of evidence will include published reports, data collected directly by Crown Estate Scotland and secondary data collected by public bodies (e.g. Scottish Government; SEPA, ONS, SIMD, enterprise agencies, etc).

Table 1: Objectives and value

NO.	STRATEGIC OBJECTIVE	OUTCOME	VALUE INDICATORS	NPF OUTCOMES; SDGS	ECONOMIC STRATEGY PRIORITIES
1	Support the sustainable expansion of Scotland's blue economy, focussing on marine and coastal development	Scotland's communities thriving with a growing offshore renewables pipeline and an increasingly sustainable and resilient aquaculture sector	National interests; new economic opportunities; skills; community participation; mitigation; biodiversity; regeneration integration	Economy; Fair Work and Business; Communities; Environment 7 Affordable and Clean Energy; 8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 14 Life Below Water	Inclusive growth; innovation; investment
2	Invest in buildings and help create great places	Vibrant places being created, supporting resilient communities and businesses	Local economy; circular economy; health; skills; mitigation; adaptation; pollution; regeneration contribution; participation	Economy; Fair work and Business; Communities; 8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities	Inclusive growth; investment
3	Promote new sustainable ways of using natural resources to produce energy, food and other products	Natural capital is enhanced and Scotland is developing new products that benefit the economy and the environment	Circular economy; new economic opportunities; skills; community participation; adaptation; biodiversity; pollution; regeneration integration	Economy; Fair work and Business; Communities; Environment 8 Decent work and Economic Growth; 9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production; 14 Life Below Water; 15 Life on Land	Innovation
4	Involve people in how land, coastline and seabed are managed	People feel empowered and involved	Circular economy; new economic opportunities; skills; health; mitigation adaptation; biodiversity; regeneration integration	Economy; Fair work and Business; Communities; 8 Decent Work and Economic Growth; 11 Sustainable Cities and Communities; 14 Life Below Water; 15 Life on Land	Inclusive growth
5	Use our skills and knowledge to deliver financial success and help business and communities to thrive	Investment in public services is supported and inclusive growth is promoted	National interests; new economic opportunities; skills; community participation; mitigation; adaptation	Economy; Fair work and Business; Communities; 5 Gender Equality; 8 Decent Work and Economic Growth	Inclusive growth

## Annex 5: Rural Land Framework – approach and actions

This section pulls together our commitments relating to the rural land assets, reflecting feedback from our 2019 consultation.<sup>1</sup>

We want to help build sustainable future for Scotland's farming and rural communities and be an exemplar asset manager. We will therefore support initiatives that help farmers transition to financially viable business models and pilot new ways of producing food, as well as explore renewable energy opportunities.

Our proposals, driven by our commitment to environmental well-being, include protecting natural capital, finding new ways of producing food on land and at sea, and exploring emerging market opportunities. Supporting innovation, as well as promoting biodiversity and strengthening local engagement, was encouraged by consultation respondents.

**Table 2: Rural Land Framework - approach**

STRATEGIC OBJECTIVE	2. Invest in buildings and help great places	3. Promote new sustainable ways of using natural resources to produce food, energy and other products	4. Involve people in how land, coastline and seabed are managed	5. Use our skills and knowledge to deliver financial success and help businesses and communities to thrive
APPLIED TO RURAL LAND ASSETS	<p>Enabling good built development that contributes to place-making and local economic development</p> <ul style="list-style-type: none"> <li>Identify and secure suitable sites for strategic built development, with due regard to environmental considerations</li> <li>Sale of residential properties which don't strongly align with Crown Estate Scotland objectives</li> </ul>	<p>Innovating with tenants for an environmentally and financially sustainable future</p> <ul style="list-style-type: none"> <li>Assist agricultural restructuring, diversification and business innovation</li> <li>Explore the potential to better integrate farming and forestry</li> <li>Use natural capital approaches to increase environmental contribution</li> <li>Supporting sustainable river fishing stocks</li> </ul>	<p>Supporting community-based projects that deliver sustainable development</p> <ul style="list-style-type: none"> <li>Sites for community ventures and developments</li> <li>Making the most of natural and cultural heritage</li> <li>Partnerships as a basis for co-investment</li> </ul>	<p>Being a financially viable and socially responsible landlord</p> <ul style="list-style-type: none"> <li>Financially important assets include minerals, telecoms and wayleaves, other commercial sites</li> <li>Seek opportunities for land use change to increase sustainability and value, including afforestation</li> <li>Sell some rural land assets to raise £14m for investment</li> </ul> <p>Add value to and sell £10m of development sites to fund further investment</p>
FOCUS FOR EXISTING ESTATE?	<p>Fochabers ✓ ✓</p> <p>Whitehill ✓ ✓</p>	<p>Glenlivet ✓ ✓</p> <p>Fochabers ✓</p> <p>Applegirth ✓</p> <p>Whitehill ✓</p>	<p>Glenlivet ✓ ✓</p> <p>Whitehill ✓</p>	<p>Glenlivet ✓</p> <p>Fochabers ✓</p> <p>Applegirth ✓</p> <p>Whitehill ✓</p>

<sup>1</sup> More information is at <https://consult.gov.scot/crown-estate-strategy-unit/rural-assets-strategy>

<b>PREDOMINANT CROWN ESTATE SCOTLAND ROLES</b>	<p>Investor ✓ ✓ Enabler ✓</p> <ul style="list-style-type: none"> <li>Establish partnerships for strategic development in Midlothian and Moray</li> <li>Work with local authorities and communities to identify beneficial development</li> <li>Work with tenants and developers to enable beneficial development to happen</li> <li>Balance protection of Scottish Crown Estate capital value with wider benefit delivery</li> </ul>	<p>Asset manager ✓ ✓ Investor ✓ ✓ Enabler ✓</p> <ul style="list-style-type: none"> <li>Invite business development proposals from tenants</li> <li>Develop an innovating with natural resources investment challenge fund</li> <li>Enable tenancy succession to attract entrepreneurial new entrants</li> <li>Support research into future land use across the rural estate in response to climate change and other environmental pressures</li> <li>Enable farm restructuring for future viability</li> <li>Knowledge exchange activities to support sustainable business management by tenants</li> <li>Support research into wild salmon conservation</li> </ul>	<p>Enabler ✓ ✓ Investor ✓</p> <ul style="list-style-type: none"> <li>Focus on supporting rural communities as well as land asset management</li> <li>Identify communities where we can make a real difference</li> <li>Support development and realisation of community economic development plans</li> <li>Identify where acquisition, sale or tenure could help realisation</li> <li>Develop a fund for investing through local partnerships</li> <li>Enable and empower communities</li> </ul>	<p>Asset manager ✓ ✓ Investor ✓ ✓</p> <ul style="list-style-type: none"> <li>Complete capital and other works identified in the condition survey to secure quality of building stock</li> <li>Work with tenants to identify the best opportunities for sale to assist restructuring and generate capital for reinvestment</li> <li>Establish and share financial and wider value information for the rural estates to enable wider learning about financial sustainability</li> </ul>
<b>APPLEGIRTH</b>	<ul style="list-style-type: none"> <li>Participate in proposals for an onshore wind farm</li> <li>Seek development opportunities along the M74 corridor</li> </ul>	<ul style="list-style-type: none"> <li>Work with tenants and other stakeholders to identify the business innovations, land use and holding structures for a sustainable future</li> <li>Support development of tenant co-operatives</li> </ul>	<ul style="list-style-type: none"> <li>Be open to engaging on community proposals</li> </ul>	<ul style="list-style-type: none"> <li>Work with tenants to identify the best opportunities for sale to assist restructuring and generate capital for reinvestment</li> </ul>
<b>WHITEHILL</b>	<ul style="list-style-type: none"> <li>Work with Midlothian Council and development partners on housing and built development</li> </ul>	<ul style="list-style-type: none"> <li>Work with tenants and other stakeholders to identify the business innovations, land use and holding structures for a sustainable future</li> </ul>	<ul style="list-style-type: none"> <li>Engage local communities in development plans</li> </ul>	<ul style="list-style-type: none"> <li>Built development at Whitehill has a key role in helping release funds for reinvestment</li> </ul>
<b>GLENLIVET</b>	<ul style="list-style-type: none"> <li>Consider built development opportunities as part of a Crown Estate Scotland / CNPA (Cairngorms National Park Authority) master planning project</li> <li>Consider rural housing and built development that supports tourism, such as a Dark Skies observatory</li> </ul>	<ul style="list-style-type: none"> <li>Consider future land use as part of a Crown Estate Scotland / CNPA master planning project</li> <li>Work with tenants and other stakeholders to identify the business innovations, land use and holding structures for a sustainable future</li> <li>Review management of sporting interests at conclusion of current lease/s.</li> <li>Support development of tenant co-operatives</li> </ul>	<ul style="list-style-type: none"> <li>Engage with communities as part of a Crown Estate Scotland / CNPA master planning project</li> <li>Support business development projects consistent with future directions</li> </ul>	<ul style="list-style-type: none"> <li>Prepare options analysis for Glenlivet to become a financially sustainable part of the Scottish Crown Estate as well as increasing wider value delivery</li> <li>Consider opportunities at Auchindoun for sale to tenants or reversion to assist restructuring and generate capital for reinvestment</li> </ul>



Fochabers	<ul style="list-style-type: none"> <li>Significant opportunities to work with Moray Council and development partners on built development</li> </ul>	<ul style="list-style-type: none"> <li>Work with tenants and other stakeholders to identify the business innovations, land use and holding structures for a sustainable future</li> <li>Support development of tenant co-operatives</li> </ul>	<ul style="list-style-type: none"> <li>Engage local communities in built development planning</li> </ul>	<ul style="list-style-type: none"> <li>Work with tenants to increase business success and share the benefits</li> </ul>
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**Table 3: Rural Land Framework actions**

NO.	ACTIONS	POTENTIAL BUSINESS PLAN TARGETS
19	Pursue consents for appropriate planning uses on strategic land holdings and, where suitable, identify development delivery partners and design of delivery models	Land and property values increased; capital committed to projects based on assessment of wider value (see investment criteria in Section 5)
20	Implement development projects on the existing estate (likely to include a mix of uses including residential and industrial)	Land and property values increased; capital committed to projects based on assessment of wider value
22	Support, promote and facilitate more diverse, sustainable and financially viable agricultural businesses through farm restructures, ongoing investment and by working with tenants to enable business planning in response to changes in policy / economics	<p>Minimum of three new entrants or facilitation of succession to next generation</p> <p>Integrated Farm Management Business Plans promoted across core holdings</p> <p>At least three demonstrator projects with tenants in place</p> <p>Complete voluntary tenancy restructures / reorganisations</p> <p>Scottish Government's Scottish Land Matching initiative supported with minimum two uptakes</p> <p>Success of women-led rural businesses promoted through communications and events</p>
23	Promote sustainable use of natural resources and position Crown Estate Scotland as a leader in natural capital management in Scotland with a focus on biodiversity, soil and water health, biosecurity, carbon and environmental/ecosystem resilience	<p>Natural capital approach embedded by:</p> <ul style="list-style-type: none"> <li>Delivering programme of support including workshops at each rural estate</li> <li>Working with pilot projects to undertake assessments</li> <li>Hosting conference showcasing national and international best practice</li> <li>Completing natural capital assessment of Scottish Crown Estate, detailing Crown Estate Scotland dependencies and impacts on natural capital</li> <li>Continuing work with agricultural tenants and other partners to embed natural capital approach in business management</li> </ul>
24	Carry out research and other initiatives to support long-term sustainability of the wild fisheries sector	<p>Measures to help address wild salmon population decline implemented, including research projects</p> <p>Protocol in place to measure lice levels on wild fish in fish farming areas (see action 8)</p>

25	Deliver Rural Land Framework to enhance economic productivity and sustainability across rural properties and communities (including capital raised for re-investment, investment in infrastructure and repairs, woodland creation and environmental enhancement and improvements to residential properties)	<p>Conditions survey actions complete</p> <p>Minimum one renewable energy project progressed</p> <p>Rural land assets sold to raise capital for reinvestment (in line with investment strategy in Section 5)</p> <p>Capital committed to new or existing assets including infrastructure improvements and woodland creation in line with budget targets</p> <p>Natural capital approach embedded (see action 23)</p> <p>Refurbish at least three residential properties</p> <p>Residential energy efficiency standards improved</p>
26	Support innovation through co-investing with tenants / partners	Innovation fund developed and launched (fund will be designed to open up opportunities to wide range of tenants / partners)
27	Increase local involvement in decisions relating to land through evidence-based estate plans. These will be developed by proactively working with tenants, communities, local councils and development trusts and other key stakeholders	<p>Clear plans in place for rural land assets following best practice engagement (aligning with Scottish Government's Guidance on Engaging Communities in decisions relating to land and Scottish Land Commission advice)</p> <p>Opportunities for rural housing development identified</p>
43	Land registration progressed to contribute to Scottish Government targets	Voluntary registration of rural assets and of uncontested foreshore complete

## Annex 6: Coastal Framework – approach and actions

Activity related to the Coastal assets is diverse and often overlaps with our work across other types of assets. Here we bring together that wider set of activity in relation to Scotland's coastline.

As well as working on the existing Coastal property, we will identify opportunities on other assets.

STRATEGIC OBJECTIVE	1. Support the sustainable expansion of Scotland's blue economy, focusing on marine and coastal development	2. Invest in buildings and help great places	3. Promote new sustainable ways of using natural resources to produce food, energy and other products	4. Involve people in how land, coastline and seabed are managed	5. Use our skills and knowledge to deliver financial success and help businesses and communities to thrive
APPLIED TO COASTAL ASSETS	Facilitate port and harbour developments and coastal economic activity to enable <ul style="list-style-type: none"> <li>• Deeper water facilities</li> <li>• Marine tourism</li> <li>• Facilities for the offshore wind sector</li> <li>• Development land associated with ports &amp; harbours</li> </ul>	Invest in regeneration in coastal communities <ul style="list-style-type: none"> <li>• Likely to involve acquiring new assets associated with coastal economic development</li> <li>• Release capital for reinvestment through eventual sale of assets once value-adding achieved</li> <li>• Stimulation of business expansion or new activity</li> </ul>	Help protect the environment and explore new sources of economic activity, including working with specific tenants on new types of sustainable natural resource management	Support community-based projects that deliver sustainable development. Likely to include: <ul style="list-style-type: none"> <li>• Sites for community ventures and developments</li> <li>• Supporting community / local planning</li> <li>• Making the most of natural capital and heritage</li> <li>• Helping tackle marine litter</li> <li>• Work with communities to find solutions for decommissioned harbour structures currently part of the Scottish Crown Estate</li> <li>• Encouraging the effective operation of mooring associations</li> </ul>	Provide practical input that supports coastal communities and businesses to achieve sustainable development <ul style="list-style-type: none"> <li>• Introduce a new approach for requests for below market value</li> <li>• Explore opportunities to reduce the administrative requirements from the large number of low value agreements</li> <li>• Complete land registration of coastal assets</li> </ul>
FOCUS FOR EXISTING ESTATE?	Ports & harbours Moorings and marinas	Rhu is a current significant site	Initial focus more thematic than place-based	Link with place-based priorities	Linked to asset use agreements

<b>CROWN ESTATE SCOTLAND ROLES</b>	Asset manager ✓ ✓ Investor ✓ ✓ Enabler ✓	Investor ✓ ✓ Enabler ✓	Enabler ✓ ✓	Enabler ✓ ✓ Investor ✓ Coordinator ✓	Asset manager ✓ ✓ Investor ✓ ✓
	<ul style="list-style-type: none"> <li>Working in strategic partnerships, identify the best opportunities to unlock the economic potential of coastal assets</li> <li>Explore opportunities to advance the coastal blue economy including in relation to renewables, hydrogen, oil and gas, LNG, fabrication and northern trade routes</li> <li>Support a strategic approach to investment in marine tourism</li> <li>Seek co-investment opportunities to leverage value and manage risk</li> </ul>	<ul style="list-style-type: none"> <li>Working in strategic partnerships, identify and secure suitable sites to stimulate strategic development in priority places that will contribute to coastal regeneration</li> <li>Co-invest with other public development agencies to leverage value and manage risk</li> <li>Balance protection of Scottish Crown Estate capital value with wider benefit delivery</li> </ul>	<ul style="list-style-type: none"> <li>Support the ongoing development of sustainable aquaculture for finfish, shellfish and seaweed</li> <li>Contribute to the understanding and management of coastal climate change impacts</li> <li>Work with other agencies and tenants on research and knowledge exchange</li> </ul>	<ul style="list-style-type: none"> <li>Identify focal communities where we can make a real difference</li> <li>Support development and realisation of local / community plans</li> <li>Identify where acquisition, sale or tenure could help realisation</li> <li>Launch a fund for community-based sustainable development</li> <li>Support community development initiatives associated with the Local Management Pilot Scheme</li> </ul>	<ul style="list-style-type: none"> <li>Continue to share skills and knowledge with coastal business and communities.</li> <li>Build our capability to work in partnership with communities</li> <li>Encourage a collaborative approach to sectoral development, including for marine tourism and offshore wind supply chain.</li> <li>Build knowledge of, and expertise in, coastal development opportunities</li> <li>Continue to return revenue profit to public funds</li> </ul>

Table 5: Coastal Framework – actions and milestones

NO.	ACTIONS	POTENTIAL BUSINESS PLAN TARGETS
1	Help create and deliver overarching vision for Scotland's blue economy, in line with Scottish Ministers' purpose	Overarching vision developed with stakeholders
2	Invest to support blue economy expansion	Opportunities identified and resource commitment in place, as part of wider investment strategy
3	Deliver excellent tenant service and enable access to seabed to support established and emerging sectors	Independent surveys show high level of tenant satisfaction
13	Implement the three-year Coastal Framework to meet business targets, manage agreements efficiently and support the development of ports & harbours, maritime transport, oil and gas infrastructure, marine tourism, utilities and private/commercial development	Coastal Framework implemented. New agreements and renewals in place according to agreed timetables. Local partnership projects in place (see action 32)
14	Work in partnership with stakeholders to identify opportunities for investment to grow revenue and capital value, deliver environmental and socio-economic benefits to coastal communities and contribute towards growth in the blue economy, with a focus on: <ul style="list-style-type: none"> <li>Ports and harbours;</li> <li>Boat-based tourism; and</li> <li>Coastal development land</li> </ul>	Measures to help address wild salmon population decline implemented, including research projects Protocol in place to measure lice levels on wild fish in fish farming areas (see action 8)

15	Support local regeneration and sustainability, particularly in coastal areas, by rolling out Sustainable Communities Fund	Fund launched in 2020 the Year of Coasts and Waters
16	Improve business processes to ensure an effective and efficient service for our tenants, using IT solutions to support the development of high-quality tenant service and improved communication with our tenants and stakeholders	Communications plan developed and implemented (aligning with wider changes to local partnership working and community engagement, see action 31); systems and processes developed and in place to support Coastal Framework and investment activity
17	Review charging in relation to coastal infrastructure and facilities to fully align with our duty under the Act to promote sustainable development	Review complete Policy and process published
18	Progress voluntary registration of Crown foreshore to safeguard Scottish Crown Estate value and contribute to Scottish Government targets on land registration	Uncontested foreshore registration complete
21	Explore and further opportunities for joint development activities with partners, including coastal regeneration projects, as part of wider investment strategy	Strategic partnership working in place Investment strategy implementation in progress to deliver wider value
29	Investigate new market opportunity for economically feasible sustainable seaweed utilisation, particularly through cultivation <sup>2</sup>	Project established, such as piloting a cultivated seaweed value chain, incorporating cultivators, food, marine biotech, energy and digestate utilisation to confirm economic viability
30	Help tackle marine litter	Minimum of two projects delivered, working with key sectors e.g. aquaculture
31	Refresh tenant and local partner engagement, reflecting the principles of the Scottish Land Rights & Responsibilities Statement	Community engagement strategy in place drawing on best practice and guidance from, for example, the Scottish Land Commission Engagement competency framework for staff in place
34	Support Marine Scotland's roll-out of RMPPs (Regional Marine Planning Partnerships)	Support for RMPPs delivered

<sup>2</sup> Cultivation is distinct from harvesting, the latter being subject to a review of the regulatory regime.

## Annex 7: How we responded to feedback and impact assessments

Thank you to everyone who responded to our consultation on the draft corporate plan. A full consultation analysis report is at <https://www.crownestatescotland.com/maps-and-publications/download/446>

Assessments / screenings carried out include:

- Strategic Environmental Assessment
- Island Communities Impact Assessment
- Children's rights and well-being (screening)
- Equality Impact assessment

These are published at <https://www.crownestatescotland.com/maps-and-publications>

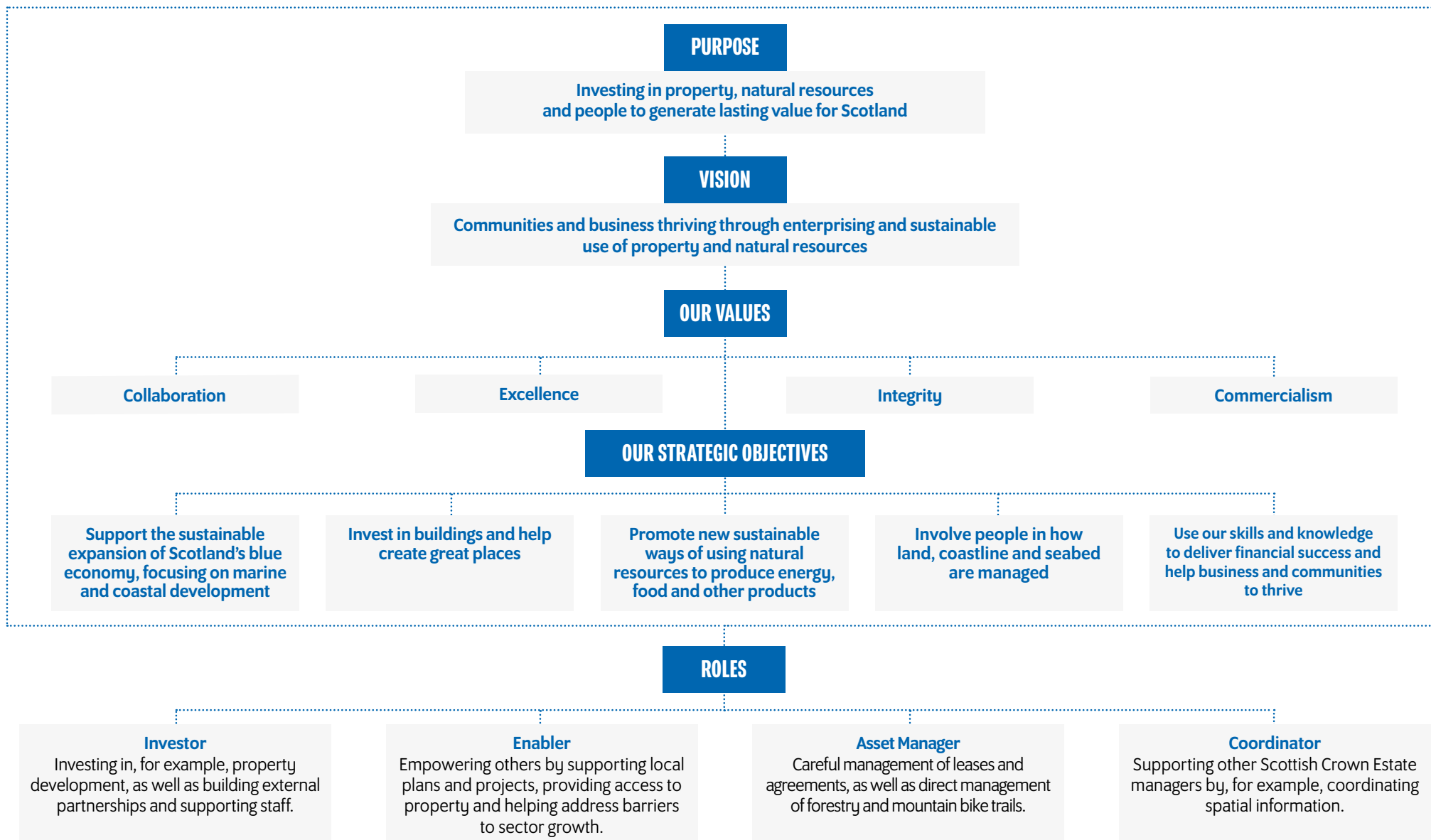
Below we summarise the key points of feedback from the consultation and four impact assessments / screenings and outline how we have responded.<sup>3</sup>

FEEDBACK FROM CONSULTATION / IMPACT ASSESSMENTS	HOW WE HAVE RESPONDED
More detail on contribution to net zero	Our role in creating net zero economy made more prominent, especially in Sections 1 to 3. Plan includes commitment to develop a Crown Estate Scotland climate change action plan. Climate change (adaptation & mitigation) added as an investment criterion
Plan requires more clarity and simplicity	Plan design and content simplified Acronyms expanded Easy Read version published Results from focus group research to identify most effective plain English terms and phrases incorporated into plan
Embed community engagement / empowerment and partnership working, especially in relation to coastal assets	Engagement competency framework for staff and training for staff & agents added to plan Plan commitment to launch new community fund to enable and encourage empowerment Strategic Objective 4 reworded to 'Involve people more in how land, coastline and seabed are managed' Commitment to place-based approach includes partnership working with other agencies
KPIs need clear definitions Ensure revenue and capital remain prominent	KPIs more clearly defined Strategic Objective 5 reworded to reference 'financial benefits' Strategic Objective 5 KPIs include revenue and capital

<sup>3</sup> More on the consultation can be found at <https://consult.gov.scot/crown-estate-strategy-unit/2020-23-corporate-plan>

Strengthen equalities in relation to how we engage with tenants Involve children & young people in what we do	Communications strategy and staff & agents training to include focus on equalities Educational activities added to plan Aim to recruit a Board observer in 2020-21 to enhance diversity
Link investment strategy with The Value Project	New investment decision-making processes being developed. These will reflect different types of economic, well-being, environmental and climate change value
Commit to align with development plans Ensure environment considered at early stages of projects	Alignments highlighted throughout final plan Internal decision-making processes to include appropriate checks Report on Strategic Environmental Assessment post-adoption monitoring in Annual Report & Accounts
Need to focus on marine & coastal biodiversity	Included in new communities' fund to be launch in 2020 Year of Coasts & Waters Marine litter projects, offshore wind environmental studies and research & development in restorative aquaculture all included in final plan
Need more on sustainability of finfish; implement Scottish Parliament Rural Economy and Connectivity (REC) Committee report	Sustainability is one of the three key criteria in our root & branch aquaculture leasing review Support for implementation of REC Committee report highlighted in Section 4 of final plan.
Need clarity about how the policy to implement Section II of the Act (transactions for less than market value) will impact tenants and sectors	Key stakeholders will have opportunity to comment on policy Final plan notes that published policy will establish basis for demonstrating wider benefits, giving clarity and guidance
Strengthen alignment with land reform policy	Final plan notes how we will align with Scottish Land Rights & Responsibilities Principles through how we engage and communicate, and how we embed transparency Strategic Objective 4 revised to focus more on community empowerment and involvement Final plan includes commitment to encourage diversity in terms of who uses Scottish Crown Estate land and property, and to actively support local management (including transfers and delegations)
Targets for strategic objective no. 2 are too focussed on financials and need more on non-financial value / return	These targets have been revised to broaden out value to social, environmental and economic; clearer link to investment criteria also introduced

## Annex 8: Strategic Framework







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