

Guidance Notes for Applicants for Aquaculture Lease Option Agreements in Scotland

Lease Option Agreement ('LOA')

*It is recommended that the information below is read in conjunction with the guidance for aquaculture Leases - see '**Guidance Notes for Applicants for Aquaculture Leases in Scotland'***

- A standard LOA is a 3 year agreement and there is a fixed charge for this based on the proposed species to be farmed. (see our 'Rents & Charges' web page)
- There is an ability to extend this to a 5-year agreement subject to a charge of £1000.00, and provision of supporting evidence of development prospects. An application to extend must also be submitted within 18 months of the LOA being signed (ie. an extension will not be agreed once the halfway mark of the LOA's term has passed. This is to encourage work to confirm development prospects at an early stage and consequently any need for the extension of the term in light of this confirmation)
- To apply for a LOA, complete and submit a 'Lease Option Application Form', with as much detail as possible about the proposed development, but ensuring the following key information is included:
 - A full set of co-ordinates in WGS 84 (degrees and decimal minutes or decimal degrees) for your proposed site, to enable a conflict check of the location (if this has not already been done). Please note this should be the full, anchored area of your proposed development.
 - We will also require a business plan and evidence of necessary financial and business resource that support this plan. Further details of what is required are provided under 'Leasing Criteria' below
- A LOA will remain in place for a period of 3 years (5 if extended) but will automatically lapse if an application for the identified statutory consent has not been registered within the period specified in the agreement. Once permission has been secured the LOA may be exercised for a full Lease, and this must be done within the time period specified in the agreement.
 - For the avoidance of doubt, lease option agreements will only be issued on the basis of one proposed development per agreement.
- A 'cap' of up to 5 LOAs may be applied for/held by any single applicant where consent applications have yet to be submitted for any of the development locations concerned.
- To avoid land-banking, where a LOA has lapsed or has had to be terminated for any reason, a new agreement for that location cannot be applied for by the same applicant for a period of 2 years unless Crown Estate Scotland are content that extenuating circumstances apply sufficiently for this restriction to be waived.

It is recommended that you discuss proposals for new developments with Crown Estate Scotland's aquaculture team prior to submitting any application to ensure all relevant matters have been considered (see 'Pre-Application' page).

An electronic submission of these documents should be sent to aqualeasing@crownestatescotland.com

Any hardcopies copies* should be sent to: Crown Estate Scotland, Quartermile Two, 2nd Floor, 2 Lister Square, Edinburgh, EH3 9GL

If you require more information about LOA, please do not hesitate to contact the Aquaculture team and we will be happy to help with your query.

[* Please note that either an electronic or postal copy of your application is sufficient. We do not require both versions.]

Leasing Criteria

The criteria to be met for granting a LOA are the same as for a full Lease with the sole exception of having the necessary statutory consents in place, as follows;

Primary consideration will be given to:

1. Does the applicant intend to occupy and operate the site themselves?
2. Does the applicant possess necessary provenance and have access to the resources required to fulfil the terms and conditions of the lease? Evidence will be required in the form of a business plan for, or including, the site in question, to indicate:

Business provenance – relevant experience and expertise

Financing of the operation – required capital and operational expenditure

Production plans

Supporting business infrastructure - seed/juvenile availability (where applicable) and post-processing
Decommissioning in the event of cessation

Where appropriate, consideration will also be given to:

- a. Does the applicant's business / production plan demonstrate that they can and will comply with any farm management and / or area management agreement(s) that currently include the location of the site in question?
- b. Does the applicant's business / production plan demonstrate how acquiring the lease might enable community and / or stakeholder and / or environmental management benefits, through either the activities associated with the site in its own right and / or through the inclusion of the site with other aquaculture sites operated by the applicant (a) locally (b) in other areas
- c. Does the applicant demonstrate current certification to any recognized environmental, quality or business management standards that will contribute demonstrably to the economic and / or environmental sustainability of the site's operation?
- d. Does the applicant's proposal demonstrate how acquiring the lease will contribute significantly to the economic and / or environmental sustainability of the applicant's wider aquaculture business?
- e. In the event of an applicant being a current tenant of other aquaculture leases from Crown Estate Scotland, a record of full compliance with the terms and conditions of those leases.

If it transpires during process of an application that any information supplied by the applicant is false or misleading or that material information has been withheld Crown Estate Scotland may reject the application.

The applicant should note that neither the receipt nor any acknowledgement of an application or any enquiries by Crown Estate Scotland in the course of processing an application constitutes any warranty or undertaking that a lease will be granted nor does the grant of any option or lease imply any representation by or on behalf of Crown Estate Scotland that the area is suitable for aquaculture activity or that planning permission will be granted.

Crown Estate Scotland may ask applicants to submit further or supplementary information in the course of considering any application.

Appendix A – Necessary Statutory Consents

Finfish Sites	Shellfish Sites	Seaweed Sites
Planning Permission	Planning Permission	Marine Licence
Marine Licence	Marine Licence	
Controlled Activities Regulations (CAR) Licence		

Planning permission is granted by the relevant Local Authority

A Marine Licence (or confirmation of exemption) is granted by Marine Scotland's Licensing Operations Team (MS-LOT)

A CAR Licence is granted by the Scottish Environmental Protection Agency (SEPA)