

## Agenda

**Thirtieth Meeting  
Crown Estate Scotland Board  
Quartermile Two, Edinburgh and by video conference call  
25 May 2022  
10am – 3.00pm**

- 1. Standing Items**
  - 1.1 Welcome and Declarations of Interest
  - 1.2 Approval of Minutes of Meetings held 23 February 2022 Attached
  - 1.3 Matters Arising and Action Trackers Attached
  - + 1.4 Papers considered out of meeting BD(2022)30.1
  - + 1.5 Stakeholder meetings BD(2022)30.2
- 2. Board Committees**
  - \* 2.1 Investment Committee Verbal
  - 2.2 Audit & Risk Committee Verbal
- 3. Management Reports**
  - 3.1 Chief Executive's Report BD(2022)30.3
  - 3.2 Performance Dashboard (Q4 2021/22 reporting) BD(2022)30.4
  - \* 3.3 Finance Report BD(2022)30.5
  - 3.4 People Report BD(2022)30.6
- 4. Decisions and Discussion**
  - \* 4.1 Capital Release from Farms BD(2022)30.7
  - 4.2 Transfers & Delegations – update Presentation
  - \* 4.3 INTOG Update BD(2022)30.8
- 5. Governance**
  - 5.1 Remuneration Committee BD(2022)30.9
- 6. Any Other Business**
- 7. Date of Next Meeting**

22/23 June (strategic session)  
31 August (quarterly meeting)

\*This item will be treated as closed business and the paper exempt from publication in terms of s33(1)(b) of the Freedom of Information (Scotland) Act 2002

\*\* This item will be treated as closed business and the paper exempt from publication in terms of s29(1)(a) of the Freedom of Information (Scotland) Act 2002.

+ This item is for noting

<b>Minutes for</b>	<b>Thirtieth Board Meeting</b>	<b>BD(2022)30</b>
<b>Meeting date</b>	<b>25 May 2022</b>	
<b>Security classification</b>	<b>Restricted</b>	
<b>This document contains commercially sensitive and confidential information and may relate to the formulation of policy.</b>		
<b>Minutes for the meeting of the Board of Crown Estate Scotland held at Quatermile 2, Edinburgh and by video conference call on Wednesday, 25 May 2022</b>		

## **Present:**

Robert Mackenzie	Chair
Dr Michael Foxley	
Liz Leonard	
Jean Lindsay	
Euan McVicar	

## **In attendance:**

Esther Black	Director of Corporate Operations
Oster Milambo	Director of Property
Alastair Milloy	Director of Finance & Business Services
Colin Palmer	Director of Marine
Helen Howden	Governance Manager (minutes)

## **By invitation:**

Katerina Brown	Observer
Ailsa Raeburn	Observer
Fiona Haywood	Senior HR Manager (for Minute item 3.4)
Sarah Knight	Development Manager (Leasing) (for Minute item 4.3)
Colin Maciver	Head of Offshore Wind Development (for Minute item 4.3)
Anna Morgan	Financial Controller (for Minute item 3.3)
Andrew Wells	Investment and Sales Programme Director (for Minute item 4.1)

## **1. Standing Items**

### **1.1 Welcome and Apologies**

Robert Mackenzie, as Chair of the meeting, welcomed everyone, including Katerina Brown and Ailsa Raeburn who were joining as observers in advance of taking up their appointments as members of the Board.

The Chair noted that apologies had been received from Amanda Bryan, Ann Allen and Simon Hodge.

## **1.2 Declarations of Interest**

As the chair of the merger partnership board for Lews Castle College UHI, North Highland College UHI and West Highland College UHI, Michael Foxley declared a non-financial interest in the proposals for the Mallaig learning centre which had been considered by the Investment Committee.

## **1.3 Approval of Minutes of Meeting held on 23 February 2022**

The minutes of the meeting held on 23 February 2022 were **approved**.

## **1.4 Matters Arising and Action Tracker**

**Noted** that:

- (a) although the Board had been provided with an update in the tracker and that there was some additional information in the Chief Executive's report, they had still not received the requested report referred to in action 27/5. The Board did not consider that this action could yet be closed.
- (b) action 29/1 should be kept open until the pay strategy had been developed.

## **1.5 Papers considered out of meeting (paper BD(2022)30.1)**

The Board **noted** the paper.

## **1.6 Stakeholder meetings (paper BD(2022)30.2)**

**Noted** that:

- (a) the meetings with Alex Cole-Hamilton, MSP, and with Dean Lockhart, MSP, had both been cancelled by the MSPs and alternative dates for these meetings were being sought.

# **2. Board Committees**

## **2.1 Investment Committee – 3 May 2022**

**Noted** that:

- (a) the Committee had received updates on the engagement being undertaken at Whitehill and at Montrose ZeroFour which they considered to be exemplary. A dedicated website for ZeroFour had been launched and members were encouraged to go and view it.
- (b) the Committee's regular report on energy ports and harbours had given an update on five potential projects, each with different benefits and opportunities for the organisation. The Committee have requested that a high level strategy for energy ports and harbours be brought to the next meeting setting out some broad parameters to frame future decisions.

## **2.2 Audit & Risk Committee – 19 May 2022**

**Noted** that:

- (a) the Committee had received an early draft of the year end results which would be presented to the Board later in the meeting. The external audit was on track with the intention being to have the accounts signed before the Chief Executive retired in August.
- (b) procurement champions had been appointed across the business to support good procurement practices.
- (c) the annual internal audit opinion had given a positive opinion and the Committee had received reports on information governance; managing agents – contract management; and an IT health check review.
- (d) the annual H&S report, which would be sent to the Board along with the annual report from the Committee, demonstrated the good progress which had been made since the Chief Executive had joined the organisation.
- (e) annual assurance reports were also received and would be circulated to the Board out of meeting.
- (f) the Committee had received a presentation on offshore wind revenues to further their understanding of the volatility in income due to external factors. The Committee had asked that this presentation be delivered to the rest of the Board.

## **3. Management Reports**

### **3.1 Chief Executive's Report (paper BD(2022)30.3)**

**Noted** that:

- (a) there was an on-going interest in ScotWind from the media and politicians as well as approaches from representatives of international governments who were keen to learn about the approach Crown Estate Scotland had taken. MSP engagement had been increased but with some meetings having been cancelled it was still too early to judge the impact of this additional input. A plan of proactive communication over coming months had been prepared.
- (b) the MeyGen project had secured an additional investment from Scottish Enterprise which had enabled turbine one to be put back into the water. There had been a new issue with it but it was hoped that it would be back in operation soon.

### **3.2 Performance Dashboard (paper BD(2022)30.4)**

**Noted** that:

- (a) a lot of the negative media stories around ScotWind were related to matters which were not within the control of Crown Estate Scotland. The comms team were working to further their relationship with Scottish Government counter-parts and to ensure that key

messages were available to Scottish Government at the appropriate times. As the leasing round was still live there was still some information which required to remain confidential at this time.

- (b) the Board requested information on expenditure in relation to consultants and were directed to the procurement update report which was submitted quarterly to the Audit & Risk Committee.

*The Financial Controller joined the meeting*

### **3.3 Finance Report** (paper BD(2022)30.5)

**CLOSED BUSINESS - CONFIDENTIAL**

**Noted that:**

- (a) the Board were being presented with the draft revenue and capital accounts for the 12 month period to 31 March 2022. Overall, the revenue account was showing a draft net profit of [publication withheld under s31(b) of the Freedom of Information (Scotland) Act 2002], which was higher than forecast, principally due to offshore wind turnover rents and an underspend in direct and indirect costs.
- (b) a holiday pay accrual was being put through the accounts for the first time and staff costs were £0.1m higher than forecast. There was a tendency for staff to carry over leave into the next holiday year however the Executive Team monitored this monthly and staff were regularly encouraged to take leave throughout the year.
- (c) capital receipts were lower than had been forecast with some delays having been experienced in concluding sales where consent of Scottish Ministers was required. Capital expenditure was broadly in line with the reforecasts carried out in-year.
- (d) [publication withheld under s29(1)(a) of the Freedom of Information (Scotland) Act 2002)].

*The Financial Controller was thanked for her contribution and she left the meeting.*

*The Senior HR Manager joined the meeting.*

### **3.4 People Report** (paper BD(2022)30.6)

**Noted that:**

- (a) this was the first quarterly report which consolidated information on people-related matters to give the Board oversight and assurance on them. The intention was to report on progress in the implementation of the People Strategy action plan and to present information on a dashboard which was being developed in conjunction with the providers of the current HR system.
- (b) data on diversity and inclusion was being collected from existing staff on a voluntary basis and currently 42% of staff had done so. Information on ethnicity was collected but had been omitted from the data presented to Board. It would be included in future quarterly

reports. Further communications to staff on providing this information would be made to encourage more to complete it.

- (c) a lot of work had been undertaken in relation to learning and development but this was not linked to a strategy and the Board would welcome a strategy being formulated this financial year to provide clear direction.

**Action: AM (30/1)**

- (d) progress had been made in relation to the ED&I plan but there was still a heavy focus on gender. This had been identified by the People Committee at its meeting on 23 November 2021 and had requested that other aspects of diversity should be included in greater depth. The collection of the diversity data from existing staff and from new staff during their recruitment would assist this in due course and with the development of future strategy.
- (e) in monitoring staff costs through the budget the Board looked at FTE and it would be helpful if the HR Report referred to FTE and provided updates against the workforce plan against FTE.
- (f) the results of the staff survey conducted in spring 2022 would be presented to the Board at the strategic meeting on 23 June. For benchmarking purposes, the Board suggested that in relation to the timing of future surveys that some research on when other public bodies undertook their surveys could be carried out.

*The Senior HR Manager was thanked for her contribution and she left the meeting.*

#### **4. Decisions and Discussion**

*The Investment and Sales Programme Director joined the meeting*

##### **4.1 Capital Release from Farms (paper BD(2022)30.7)**

**CLOSED BUSINESS - CONFIDENTIAL**

**Noted that:**

- (a) the Capital Release from Farms pilot initiative was a corporate plan action and part of the investment strategy, seeking both to release capital and to enhance diversity in land ownership. Capital was being sought to make investments across the Estate.
- (b) the initiative was launched in January with all eligible tenants in the pilot areas being invited to indicate if they were interested in potentially purchasing the farms they tenant.
- (c) the response from tenants had been positive and consent from the Board was being sought to move forward to the next stage of the process. An initial financial and spatial analysis had been undertaken to show the impact if all 22 expressions of interest were to translate into sales. It was not anticipated that all expressions of interest would move forward once the full valuations had been undertaken and negotiations had commenced. The final decision on whether to sell a farm would remain with Crown Estate Scotland and would be informed by a number of strategic considerations which would be assessed as part of the business case for each proposed farm sale.

- (d) the risk analysis set out in the paper included the resourcing required on both sides, particularly with one agent being used by many tenants. A phased approach would allow for a pipeline of negotiations to mitigate workloads however it was not without risk and such an approach would need to be transparent and clearly communicated to tenants. The recommendation to Board was that a geographical approach be taken along with prioritising those sales where funding was already in place.
- (e) any sales which did proceed would be subject to clawback arrangements to mitigate the risk of land sold at agricultural value being subsequently sold on for inflated prices. The detail of the arrangements would form part of the negotiation but within specific operating principles.
- (f) the Board queried whether the sales income targets set out in the Corporate Plan could be exceeded or whether they were a cap which the team had to remain within. If a cap had been set then there could be an inherent unfairness in pursuing the recommendation to phase sales on a geographic basis and to give a priority to “oven-ready” sales. After lengthy discussion the Board concluded that it required clarity on whether an income cap had been set and if so then they would require to understand how this would affect how the offers from tenants would be evaluated.

**Agreed that:**

- (a) the Board supported the recommended next steps in the sales process, including a move to stage 3 of the agreed process, and that all expressions of interest received be followed up.
- (b) the Board supported the approach to the identification of strategic considerations in the preparation of business cases as outlined in the paper and they noted the proposals on clawback and change of control provisions.
- (c) the Governance Manager should identify a suitable time for the Board to hold a discussion on capital divestment and investment on the Estate.

**Action: HH (30/2)**

*The Investment and Sales Programme Director was thanked for his contribution and he left the meeting.*

*Secretary's note: the Board discussion has been scheduled for 23 June 2022.*

## **4.2 Transfers & Delegations Update**

**Noted that:**

- (a) the Head of Partnerships had been unable to join the meeting and the Board were invited to forward any questions to the Governance Manager who would arrange for responses to be sent.
- (b) more information on the risks to Crown Estate Scotland from the process would be welcomed as well as an understanding of how delegation of management of assets could be reconciled with the responsibilities of Crown Estate Scotland's Accountable Officer.

*The Head of Offshore Wind Development and the Development Manager (Leasing) joined the meeting*

**4.3 INTOG Update** (paper BD(2022)30.8)

**CLOSED BUSINESS - CONFIDENTIAL**

**Noted** that:

- (a) the paper provided Board with an update on proposed changes to the leasing process following receipt of feedback from potential applicants to INTOG and from stakeholders. The Board had received a summary of that feedback during a session on 30 March 2022.
- (b) the Board were being asked to approve proposed changes to the application period, the option period, and the lease period. Extending the application window was being proposed in response to feedback that more time was needed for projects to be developed adequately prior to submission.
- (c) the initial proposal had been to offer five year options however respondents had indicated that this would be a challenge with current consenting processes and the need to secure a grid connection. The option period was still shorter than that offered in the ScotWind leasing round to reflect the ambitions to deliver decarbonisation of North Sea oil & gas quickly.
- (d) respondents had also commented that the proposed twenty-five year lease period was too short given the operational life and economic viability of offshore wind projects.
- (e) at its meeting on 30 June 2021 the Board had supported the principle of the continued deployment of supply chain development statements (SCDS). In the intervening period there had been no change to the legal parameters and the SCDS would not be changed for INTOG.
- (f) the timescale for publication of the leasing document and the opening of the application window was now expected to be in August rather than June 2022. The delay was not expected to have an impact on the ambition to deliver net zero and the delays had not all been within Crown Estate Scotland's control.

**Agreed** that:

- (a) the Board supported the extension of the application window from two to three months and noted that the target date for launch had moved to August 2022.
- (b) the Board supported the extension of the option period to seven years and the proposal to offer fifty year leases, with rent review provisions and a break option.

*The Head of Offshore Wind Development and the Development Manager (Leasing) were thanked for their contributions and they left the meeting.*



## **5. Governance**

### **5.1 Remuneration Committee (paper BD(2022)30.9)**

**Noted** that:

- (a) it was proposed to establish a Remuneration Committee to oversee pay and reward practice within Crown Estate Scotland and that the Board delegate the governance and oversight of pay to that Committee.
- (b) the draft terms of reference set membership of the Committee at three non-executives and volunteers to sit on the Committee were sought. Jean Lindsay confirmed that she would be happy to participate and that she would be prepared to chair. Katerina Brown and Liz Leonard also confirmed that they would be willing to join the Committee.

**Agreed** that:

- (a) the Board approved the establishment of a Remuneration Committee to operate in accordance with the draft terms of reference attached to the paper and that governance and oversight of staff pay was delegated from the Board to the Committee.

## **6. Any other business**

**Noted** that:

- (a) there was no other business and the meeting closed.

## **7. Dates of Next meetings**

22/23 June 2022 (strategic session)

31 August 2022 (quarterly meeting)

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**Robert Mackenzie**  
**Member, Crown Estate Scotland**

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**Date**

## Board Paper

**Date of Meeting:** 25 May 2022

**Classification:** Confidential

**Subject:** Papers considered out of meeting

**Paper Number:** BD(2022)30.1

**Annexes:** n/a

**Recommendation:** The Board is invited to note this paper.

**Presenter:** Helen Howden

**Author:** Helen Howden

**Our purpose: Investing in property, natural resources and people  
to generate lasting value for Scotland**

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### 1. Purpose and context

This paper, which is for noting, records the decisions taken and matters considered by the Board out of meeting.

### 2. Minutes

#### **Approval of minutes of the meeting held on 11 November 2021**

The Board were asked, by email issued on 15 March 2022, to approve the draft minutes of the meeting held on 11 November 2021. Members confirmed their approval by email.

## Board Paper

**Date of Meeting:** 25 May 2022

**Classification:** Unrestricted

**Subject:** Stakeholder Meetings

**Paper Number:** BD(2022)30.2

**Recommendation:** The Board is invited to note this paper.

**Presenter:** Amanda Bryan

**Author:** Helen Howden

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### 1. Purpose and context

This paper provides the Board with details of the meetings and events which the Chair and the Chief Executive have held with stakeholders during the period from 10 February 2022 to 18 May 2022.

### 2. Meetings and Events attended

The Chair and Chief Executive both attended or met:

- The Minister for Environment and Land Reform on 20 April.
- COSLA Economy and Environment Board on 22 April 2022.

The Chair attended or met:

- A SCDI H&I meeting on 18 February.
- A joint Changing the Chemistry event with HIE on 3 March. Jean Lindsay and Helen Howden also in attendance.
- Offshore Wind Conference Dinner on 8 March 2022 – as speaker.
- COHI on 21 March 2022.
- The new Deputy Director of Marine Scotland on 24 March.
- The Director of Marine Scotland on 4 April.
- Crown Estate Scotland Board interviews on 5 and 6 May which were led by Scottish Government.
- The Chief Executive of Scottish Renewables on 21 April.

- Aquaculture Awards on 4 May 2022.
- Chief Executive interviews on 10 and 11 May, with planning and shortlisting meetings taking place prior to these dates. Panel also included Robert Mackenzie, the Director of Marine Scotland, the Chair of HIE and the Senior HR Manager. Board member Liz Leonard also in attendance on 10 May.

The Chief Executive attended or met with:

- The SG sponsorship team on 16 February. Alastair Milloy and Anna Morgan also in attendance.
- Environment and Economy Leaders Group on 22 February.
- Interim Chief Executive of Orkney Council on 4 March. Colin Palmer and Tom Findlay also in attendance.
- The MS Offshore Wind Liaison Group on 14 March and 12 April with various Scottish Government officials and Crown Estate Scotland staff members.
- Crown Estate Scotland and CESU meeting on 16 March.
- A Community Land Scotland event on 17 March.
- A meeting with the Chief Executive of HIE on 24 March.
- A meeting with the new Deputy Director of Marine Scotland on 25 March.
- A meeting with the new Deputy Director of Marine Scotland and team on 28 March. Esther Black also in attendance.
- A meeting with the Chief Executive of Cairngorms National Park on 28 March.
- A meeting with Scottish Government officials and representatives from HIE, NatureScot, South of Scotland Enterprise, Historic Environment Scotland and Scottish Enterprise to discuss the Blue Economy on 21 April. Colin Palmer also in attendance.
- Fergus Ewing MSP on 22 April. Colin Palmer also in attendance.
- The Chief Executive and Director of Investment at Lochalsh & Skye Housing association on 28 April. Tom Mallows and Penny Coles also in attendance.
- Dean Lockhart MSP on 18 May. Colin Palmer also in attendance.
- Alex Cole-Hamilton MSP, Leader of the Scottish Liberal Democrats on 18 May. Colin Palmer also in attendance.

## Board Paper

<b>Date of Meeting:</b>	25 May 2022
<b>Classification:</b>	Unrestricted
<b>Subject:</b>	Chief Executive's Report
<b>Paper Number:</b>	BD(2022)30.3
<b>Annexes:</b>	n/a
<b>Recommendation:</b>	The Board is invited to note the report which covers activity up to early/mid-May.
<b>Presenter:</b>	Alastair Milloy
<b>Author:</b>	Esther Black

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to generate lasting value for Scotland**

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### 1. Overview

In this section, give an overview of how the organisation has been progressing.

Delivery on the 2021-22 Business Plan is covered in the quarterly dashboard. It will also be covered in the annual report, a draft of which Board members will see in June.

The 2022-23 Business Plan was published in early April.

People and HR developments are covered in the separate People report.

Other highlights covered in more detail below include preparation for implementation of revised aquaculture terms & conditions, a range of procurement and engagement work on built environment projects, ongoing communications and public affairs on ScotWind, and further measures to strengthen cyber security.

### 2. Meetings / engagement / events

We have a busy event schedule this year, with almost 20 events / conferences where we will be sponsoring, speaking or exhibiting.

Noted below are the key events coming up that may be of interest for Board Members – please let Laura Collins know if you would like to attend any of those listed.

- Scottish Renewables Marine Conference, 25 May, George Hotel, Edinburgh
- SCDI Forum, 13 & 14 June, EICC Edinburgh
- SeaScotland Conference, 15 & 16 June, The Studio, Glasgow
- EELG in Quartermile2 and Whitehill Estate, 16 June - site visit to the Whitehill Estate sharing how Crown Estate Scotland is taking a different approach to development and creating meaningful and lasting value for Scotland.
- CREST, 11 August, venue tbc but central Edinburgh. May include session with Chris Armstrong, author of A Blue New Deal, in which case Board and Marine Scotland colleagues will be invited. To be followed by farewell celebration for Simon and Andy.
- DTAS Annual Conference, 4 & 5 September, Cumbernauld
- SCDI H&I Business Awards, 9 September
- Scottish Renewables Floating Offshore Wind, 12 & 13 October, Aberdeen
- Exhibition stall at Scottish Parliament, Garden Lobby, 8-11 November. A parliamentary reception is likely to take place in autumn but we are awaiting confirmation.
- Scottish Green Energy Awards, 1 December, Edinburgh.

We are also scheduling 'speaker series' events for Board Members and staff and preparing for the Board visit to Dumfries in June.

A separate list of engagement and meetings by the Chair and Chief Executive has been provided to the Board.

### **3. Health & Safety**

After a successful procurement exercise, we have appointed EDP Health and Safety Environment Consultants as our new H&S safety for the next 3 years. EDP brings with them a wealth of experience in the industry and a much bigger consultancy giving us enhanced resilience. EDP is now going through a transition period taking over from Greens of Haddington Ltd. Part of their transition tasks include key site visits, meeting staff and Greens, and subsequently a 'lunch & learn' presentation to all staff.

### **4. Risk Management**

The risk register is reviewed and updated for each Audit & Risk Committee meeting. Asset management processes, handling risks for E&I, and H&S are a current focus.

### **5. Procurement**

The property team have developed a scope of service for a framework to support the Property services not currently provided under the managing agents which is currently set at a maximum capital outlay of £350k. An Executive Team and Board paper is being prepared to secure approval for a maximum capital of £3,499,000 to give the business much needed headroom to call off services to support various project delivery going forward.

An overview of contract management was recently presented to the Audit & Risk Committee and ongoing training is being delivered to all areas of the organisation. In addition to this, a Procurement Champions network has been launched and initial training and development has been delivered. This initiative was set out in the Procurement Strategy:

“... our procurement business model – central Procurement expertise and a network of decentralised ‘Procurement Champions’ and assigned contract management roles for relevant contracts. “

Ongoing development for Procurement Champions will include more advanced areas (e.g., specification writing, sourcing, selection and evaluation criteria, development of SMART key performance indicators and service levels) and Procurement Champions will be able to use the Quick Quote facilities on the Public Contracts Scotland Portal. This further reduces risk to the organisation.

A revised Procurement Policy will be published during Q1 of 2022-3.

Meetings have been held with all budget holders following the budget setting process to agree anticipated regulated procurements over the next two financial years. This is with Directors for validations. The outcome of this will be published on the Procurement page on the external website. Crown Estate Scotland will undertake a “Lite” assessment for Cycle 3 of PCIP (Procurement Capability Improvement Programme) during Q4 of Financial Year 2022-3. This will be our first PCIP assessment. Revisions to the programme and modified PCIP questions are currently being developed. Further information will be made available to us and the Central Government sector as the programme develops.

## **6. IT and Cybersecurity**

Following our formal penetration testing which saw some weaknesses in terms of SMS on mobile phones we have undertaken several improvements.

*Part of this paragraph has been withheld from publication under s31(b) of the Freedom of Information (Scotland) Act 2002.*

## **7. Corporate Operations**

### **Corporate Affairs and Governance (see also section 2 on engagement etc above)**

Implementation of the communications and engagement strategy is ongoing.

On ScotWind, there has been a period of intense activity related to FOIs, parliamentary questions, and media queries. Longer-term our approach will focus on framing the debate around wider value (the annual return once projects are generating, the socio-eco benefit through supply chain, tackling climate crisis and increasing domestic generation). There is also an opportunity to talk about the global leadership role we playing as E&I colleagues continue to respond to requests from government representatives in other countries who want to learn from our approach.

Recent proactive ScotWind communications and public affairs activity includes:

- Engagement with MSPs, Ministers, and CoSLA, and briefing with updated figures published and sent to MSPs and stakeholders.
- The SCDS announcement
- A suite of FOI responses with accompanying documents published to ensure we are being as open and transparent as possible.

- Research with a range of stakeholders (including media and communities outside Central Belt) regarding perceptions of ScotWind. The results will provide a baseline against which future shifts in perception can be measured.
- Development of a 12 to 18-month plan with updated messaging

A mid-quarter analysis by our media monitoring agency shows that from 1 April to 15 May, there were 281 items of ScotWind coverage, with 4.3% (by Opportunities to See) being classed as negative. Most of the negative coverage was in relation to fishermen's concerns and market value, with these two aspects featuring in a total of nine items.

Renee LeFrancois (Information Coordinator) returns from maternity leave in late May, and we are preparing to recruit cover for Laura Colins (Corporate Affairs Manager) who goes on maternity leave in September.

We are supporting inductions for the two new Board Members.

To reflect changing business needs in relation to Corporate Affairs – which covers media, social and digital, internal communications, public affairs, publications, and brand – we are procuring the services of a consultant to review the function's processes and capacity.

### **Policy**

The Future Offshore Wind Scenarios (FOWS) study was published in April. This was a collaborative project, commissioned by BEIS, The Crown Estate and Crown Estate Scotland and carried out by Arup. It illustrates potential deployment scenarios for offshore wind in UK waters and the complex factors to be balanced within the marine environment including the cost of energy.

The Scottish Marine Environmental Enhancement Fund (SMEEF) was launched on 11 May by Mairi McAllan MSP, Minister for Environment and Land Reform. Simon Hodge attended the launch. The fund has been set up to support projects that will help ensure our coasts and seas are healthy, productive, and rich in nature and will accept voluntary donations from a range of marine users. SMEEF has been established by NatureScot, Scottish Government and Crown Estate Scotland. We are members of the steering group and have provided seed funding to enable set-up and to support the running of the first two years of the fund.

The Sustainable Communities Fund has awarded [10 environment grants](#) and nine community capacity grants, totaling £370,000. The Sustainable Communities Fund has awarded [10 environment grants](#) and [nine community capacity grants](#), totaling £370,000. After the 2022-23 round, we will be reviewing the Fund and making recommendations to Board re: next steps. The Partnerships team are following up with those awarded funds in the first round with whom there may be an opportunity for a longer-term relationship.

Our green office and travel plans have been developed with staff input and will soon be launched.

Scottish Land Commission community engagement training for staff and agents takes place in June 2022 (see action 41 update on quarterly dashboard).

Our recent qualitative stakeholder research will be shared with Board in June.



## **Partnerships / Pilots**

### **Challenge Funds update**

The Partnerships team is supporting the Investment and Farm Sales Director in assessment and development of Strategic Outline Business Cases (SOBC) for all three Challenge Funds, taking on board advice from asset teams including built development, coastal, aquaculture and wave & tidal. The funds are generating wide interest, positive reputational impacts and improving engaged stakeholders' understanding of how the Scottish Crown Estate is managed and Crown Estate Scotland's role in this as well as our purpose and values. Updates on each fund are as follows:

- Boat Based Tourism Stage 2 (SOBC) window closed 31 March 2022 with six applications received, circa £5m capital applied for, of which £0.5m is already committed (Corpach Marina), and recommendations for Full Business Case development during June.
- Local Partnerships Stage 2 window closes 8 June 2022, 11 applications having been progressed from Stage 1, circa £5m capital across the 11 proposals.
- Innovation with Natural Resources Stage 1 window closes 3 June 2022, strong interest so far.

### **Pilots update**

- Forth District Salmon Fishery Board pilot is live and generating learnings including relating to Delegated Authority frameworks and approaches to managing salmon fishing rights.
- Orkney Islands Council pilot is live and in pre-operational setup phase. OIC are working through draft procedures within the council, taking significant advice and coaching from across Crown Estate Scotland, particularly the Partnerships and Wave & Tidal teams.
- Comhairle nan Eilean Siar and Galson Estate Trust pilot has had draft implementation agreement ready for their sign off since May 2021. Both parties are actively exploring formal delegation through the Marine Scotland process and we are providing support and advice as appropriate.
- Shetland Islands Council continues to finalise its Sullom Voe Masterplan but have now re-engaged on development of the implementation agreement Heads of Terms. We continue to respond to the Council's timescales.

### **Partnerships update**

- North Ayrshire: progress is being made on four investment opportunities including two Boat Based Tourism Challenge Funds (Ardrossan and Millport Marinas). We recently received initial draft supporting information to inform SOBC development for shoreside land and buildings at Irvine Harbour/ Scottish National Maritime Museum and are progressing discussions with the Council and other parties for investment at the Hunterston PARC (shoreside).
- Fort William: 50% Crown Estate Scotland funding of the Fort William 2040 programme manager post alongside The Highland Council has resulted in appointment of Martin Culbertson. Discussions with The Highland Council and HIE have begun to revisit the Fort William Waterfront Development project.
- Portgordon: 50% funding of the community Development Officer post alongside Highlands & Islands Enterprise has resulted in Michelle Good taking up the post. Mid-term review of MoU progress is planned for June/ July.
- Glenlivet Future Plan: Cumulus and Aecom have been appointed as contractors to deliver Stage 1 of the project, focusing on scoping and early-stage engagement to ensure the planning work itself is delivered collaboratively with tenants and local stakeholders including under-represented groups such as young people.

- We met with CEO and Investment Director of Lochalsh & Skye Housing Association and agreed to work up the early stages of an investment proposal intended to address various pressures acute to Skye, including mid-market affordable rental.

## **8. Energy and Infrastructure**

All 17 ScotWind agreements were signed and delivered in April. The preparation for this included project specific wording in the agreements (such as related to CCS interaction if applicable), additional requests for assurance around Russian sanctions, and enabling the transferring of circa £700m in option fees. In parallel with this a judicial review was brought forward by a defeated ScotWind applicant and considered in Court at the start of April. This has been a significant focus for the offshore wind team over the past period and the Judge ruled in favour of Crown Estate Scotland, enabling us to proceed with delivering all ScotWind agreements as scheduled.

We have now gone through appropriate process to confirm that one area east of Shetland (NE1) will be subject to our clearing process. Eligible applicants interested in clearing will be invited to make their submission, with option agreements scheduled to be signed by the end of the year. Other focuses for the team are on seventeen project kickoff meetings with successful applicants, preparing more detailed feedback for unsuccessful bids, ongoing management and enabling activities associated with Supply Chain Development Statements (SCDS's), and wider stakeholder engagement to help enable and progress ScotWind, such as through engagement at SOWEC (Scottish Offshore Wind Energy Council), on OTNR (the Offshore Transmission Network Review) and on the Ministerial Offshore Wind Acceleration Taskforce (OWAT).

All seven new recruits are settling well and already making significant contributions, with regular full team events in Edinburgh being undertaken monthly. A further asset manager position has been filled (new recruit commencing 6 June) with interviews for the 'Data Technical Lead position' due to commence in May. Recruitment for two replacement roles in the team is also now commencing follow recent resignations of our Development Manager (Transmission) and E&I Coordinator.

Our INTOG (Innovation & Targeted Oil & Gas) LID (Leasing Information Document) was published at the end of February following further engagement with Scottish Government. Feedback to this document has now been received and a paper for approval outlining recommendations following this will be considered at the May Board meeting. A report we commissioned was also published outlining the benefits of INTOG.

Negotiations regarding an option agreement to purchase land at Scapa Flow are ongoing with a recommendation anticipated to be considered by Investment Committee in August. We continue to engage with a range of stakeholders regarding opportunities, from ports and harbour operators to potential funders such as SNIB (Scottish National Investment Bank) with whom we now have an NDA (Non-Disclosure Agreement) and regularly monthly call in place.

We have a continued focus on helping to enable carbon storage in Scottish Waters, and at the end of April, NSTA (North Sea Transition Authority), Crown Estate Scotland and The Crown Estate announced renewed collaboration to unlock the potential of carbon storage. Over the coming year CCS leasing will be examined further, including imminent consideration of two CCS

option applications, as well as the optimal approach to CCS leasing moving forwards as NSTA consider CCS licensing rounds.

At the start of April MeyGen secured £2.5M in funding from Scottish Enterprise which we also helped enable. This is significant for our investment in MeyGen, with turbine one due to be redeployed imminently.

## **9. Aquaculture**

Cabinet Secretary for Rural Affairs and Islands, Mairi Gougeon MSP, has announced that Prof. Griggs recommendations will be taken forward by launch of a new Ministerial Aquaculture Strategy Forum that will also inform the development of the government's Vision for Sustainable Aquaculture, together with a small task group to rapidly progress work to improve efficiencies in the consenting system.

The Cabinet Secretary also referenced the joint funding by Marine Scotland and Crown Estate Scotland of a fixed term Development Manager post for the Scottish Seaweed Industry Association, to help enable and properly steer this emerging sector's development as well as serve as a more bespoke line of communication between industry, government and other agencies.

Anderson Strathern are currently engaged in drafting the revised lease terms following our review, and we anticipate Minutes of Agreement to bring existing leases into line with these will start being issued for signing at the end of this month. A project to develop a methodology and associated templates for our requirement for tenants to report on their management of plastics used on leased subjects will also be launched shortly following a public tender.

The review of interactions between capture fisheries and aquaculture and investigation on possible mitigation measures has now reported and will be published on our website. A workshop with participants from both sectors was held to inform a pilot of the proposed measures, possibly next year.

The aquaculture team are continuing to work with GIS on further development and use of the 'ArcGIS Insights' tool as part of our aquaculture database. In addition to existing metrics being analysed – production, revenue, unused sites, we have now added sea-lice levels on farmed salmon, using the reporting of the Scotland Aquaculture Database.

## **10. Property**

### **Overview**

The Property Team continues to delivery at pace on a myriad of projects highlighted below against the Teams Objectives. We are working with colleagues across the business to progress Crown Estate Scotland initiatives and pilots including but not limited to:

- Review of the Property Management System
- Review of the LMV Policy
- Review of Challenge Funds applications
- Capital Release from Farms Pilot
- Forth District Salmon Fishery Board pilot

We are steadily building capacity within the team to support delivery on all fronts. We are in the final stages of recruitment to the roles of Senior Built Development Manager and Project Management Office Manager. We are also in the final stages of compiling our Team Business Plan subsequent to the recent publication of Crown Estate Scotland Corporate Business Plan.

### **Managing agents**

Following the first 12 months of the new managing agent contracts, annual performance reviews have been held with each of the Managing Agents. Overall good progress has been made working with both new agents and retained agents and in reviewing Service Standards, KPIs and balanced scorecard. The discussions focused on reviewing the key achievements, the key challenges, areas for improvement and areas where we can support that delivery.

An internal audit of the Management Agent performance was also carried out over the last two months by RSM Risk Assurance Services, our internal auditors, and their report was presented to the Audit & Risk Committee on 19 May.

### **COVID-19**

Although there are signs of improvement, the effects of the pandemic have continued to impact on aspects of the portfolio, particularly on building materials supplies and associated costs, as well as COVID-19 absences within contractor teams.

### **Coastal**

Scottish Government is still considering the proposal for an efficient process for handling the application of Section 10 of the Scottish Crown Estate Act 2019 (i.e. Ministerial approval for sales of the seabed). We will keep pressing the sponsor team regarding our proposals.

Missives were concluded with Stornoway Port Authority to enable the deep-water quay project to progress.

Agreement has been reached with North Harris Trust on an approach to settle a long running title issue at North Harris and on the island of Scalpay. The solution will result in Crown Estate Scotland retaining areas of foreshore adjacent to the Trust's land which are currently let by us, the remaining foreshore passing to the Trust. We are meeting the Trust's reasonable legal fees as a goodwill gesture.

Marine leisure reviews: the two exercises to review the seabed moorings licence fee and Shetland marinas' seabed lease rent are on track. The Valuation Office Agency has been appointed to undertake the independent valuation work, and the socio-economic impact studies will be done by Aquatera (Shetland marinas) and Tourism Resources Company (moorings).

### **Urban**

At 39-41 George Street, a new 5-year let of the vacant first floor office suite was successfully negotiated to Mediaworks Ltd with the tenant taking entry on 8 April 2022. This and previous active asset management during the past year has led to an increase of £350,000 in the overall capital valuation of the property as at 31 March 2022. Our active asset management is expected to further increase the asset's capital value going forward. The asset once its fully refurbished and fully let in this prime George Street location, would be well received by investors should Crown Estate Scotland choose to sell the asset.

Outline energy efficiency recommendations to improve the building EPC rating have been received from EPC Associates Ltd in the form of a draft Section 63 Action plan and are being considered and investigated for implementation. It is hoped that some can be arranged alongside the repair works previously identified for which a building services consultant is being procured through our Managing Agents (London & Scottish Property Asset Management).

### **Rural land**

The Rural Condition survey category A repair work contracts are 95% complete on Fochabers & Glenlivet and expected to complete by end May 2022. There were some tenants where the contractor has been delayed or unable to carry out work due to livestock / equipment in certain buildings. The remaining 11 individual farm projects are being project managed by Savills Buildings team. At Applegirth, the contractor has completed the cattle shed at Broomhills and the roofing work at Jardine Hall is expected to be completed in June after the cattle are back out again.

Work on the planning, phasing and implementation of the category B & C repair works is underway to ensure it can be procured and delivered.

Savills were instructed to take the site known as R2, Ordiquish Road West, Fochaber (2.2ha) to the open market, with a view to identifying a purchaser for this residential development opportunity. This resulted in two conditional offers. Following negotiation, the sale was concluded on 6 April 2022 for a cash sum of £498,000 to a local developer.

We are continuing to market 7 The Square, Fochabers for conversion to residential, the Old Post Office at Applegirth and are preparing to re-market land at Rosewell steading.

At Glenlivet, contractors are making good progress on deer fencing and tree planting on the restocking sites with over 95,000 trees planted as well as ongoing felling work at Applegirth. The current certificate under the UK Woodland Assurance Standard runs to October 2022. A recertification audit has been agreed with the Soil Association and is scheduled for 13 & 14 July 2022 to enable this to be renewed for a further 5 years.

The Head Ranger has been continuing to work with Cairngorms National Park Volunteer rangers on the estate, as well as supporting the Junior Ranger activities and hosting days for local Primary Schools pupils as part of their transition days to Speyside High. Other work includes preparation for events as part of the Cairngorms Big Nature weekend and upcoming Jubilee celebrations.

On the Capital release from Farm Sales pilot initiative, we received 22 out of 23 Expressions of Interest from farm tenants by the deadline of 7 March. Along with Strutt & Parker, we are currently undertaking spatial and other analysis to assess the management implications of the Pilot given the high level of interest generated from farm tenants. There is careful planning of how to deploy resource and prioritise the preparation of individual Sales Reports as part of Step 3 of the agreed process. Further details are included in a separate Board Paper to seek approval for the recommended approach.

As part of stage one of our sustainable agriculture work with tenants and Strutt & Parker, we issued letters to agricultural tenants in February 2022 offering support in preparing applications for Scottish Government's Agri-Environment Climate Scheme & other related funding for

sustainable agriculture. We have had two formal requests so far, one from each of the North and south of the estate and anticipating more to come in due course.

Sales of 9 Gorton loan Whitehill, Upper Auchenreath Steading Fochabers and Ballinleish Cottage Glenlivet were also completed in this period.

The Queen's Platinum Jubilee celebration events include:

- On the 2 June, beacon lighting and family fun in the square, Tomintoul - we are leading & organising the event, providing funding for the activities and music as well as contributing to a fixed sum of food costs working with local hotels and restaurant.
- On the 3 June, tree planting at the Land Girls memorial site on the Fochabers Estate. Event led by the Deputy Lieutenant with Crown Estate Scotland paying for the trees.
- On the 5 June, tree planting & BBQ at Glenlivet village site. We are funding the trees and commemorative plaque plus the BBQ food.

### **Montrose ZeroFour**

Engagement work with local community and businesses in ongoing. An MoU was signed with Dundee & Angus College in late February, and we have agreed to part-support the funding of an independently reported SOBC to allow the Council to move the Tay Cities Funding in return for input into the scope and shared access to the report and modelling.

Community engagement events occurred in March each at Montrose Academy.

A large senior pupil event celebrating the MoU with College - highlighting STEM career options at ZeroFour and allowing pupils to use engineering apparatus - was a great success and generated excellent media coverage including filmed interviews for STV evening news and Radio Tay as well as local, regional and industry press coverage.

A second 30-person community engagement event to present plans for ZeroFour also occurred and included representatives from Montrose community groups, local charities and sports teams as well as other Angus school teachers. Plans were well received with questions raised on timing, asset types and who could operate from ZeroFour and maintaining active travel routes.

Engagement with neighbours continues including good relations with the golf course, port and RAF Montrose Heritage Centre – the latter spending time on 13 May to walk the site with Crown Estate Scotland and discuss artifacts they may wish to translocate to the Heritage Centre and the spitfire statue that Crown Estate Scotland is committed to co-fund.

Successful procurement and onboarding of external project management, principal designer and cost consultant has occurred and scoring of the twenty other tender responses for the five remaining functions is underway. Those onboard undertook an initial site visit on 13 May.

Discussions continue with current group of agents – some potential leads in large scale (>75,000m<sup>2</sup>) land use. Interest from Aberdeen based Hydrogen fuel provider and discussions with Liquefied-Natural-Gas/EV/Biodiesel operators regarding non-fossil fuel stations. Site visit and follow up discussions at Quartermile2 with hotel developer and operator with regards to a training hotel on ZeroFour. Other assets such as a live website and branding exercises are now complete to assist in marketing the site.

### **Built Development Whitehill Estate 2030**



Whitehill Estate 2030 Phase two consultation commenced on 9 March and ran for 3 weeks. Awareness raising was undertaken in advance and during consultation which included social media, press adverts, direct mail, and email. Consultation and engagement tools included, in person meetings with key stakeholders, a virtual town hall and in person consultation events. The phase 2 consultation and engagement exercise was designed to target under-represented groups in phase 1. This included working with local schools, using postcards, promotion through local networks such as the community council and running in person consultation events to target those who are not as active on social media.

The response to phase 2 engagement and consultation was positive with engagement as follows:

- Questionnaire responses: 51
- Children's drawings/ideas: 63
- Website: 540 users, 955 page views
- Have Your Say Clicks: 216
- Social Media: Post reach 4827
- You Tube: 23 views

The responses to the second phase consultation are currently being reviewed and interpreted and will be used to inform the Whitehill Estate 2030 Development Framework.

Mairi McAllan MSP, Minister for Environment and Land Reform visited the Whitehill Estate in March. The meeting offered the opportunity to outline the work that the team is undertaking and the opportunities that are emerging from the consultation and development framework as it develops.

The property team have also had discussions with Midlothian Council around the opportunity to develop a Memorandum of Understanding to create the basis for a public-to-public partnership to explore opportunities to work collaboratively together to deliver shared goals and maximise value across a range of topics including the economy, environment, social, community, sustainability, housing, and net zero by 2030 aspirations.

### **Mosstodloch**

The procurement to undertake stakeholder engagement and the develop the Mosstodloch Masterplan with the additional option to complete a local place plan in collaboration with Moray Council concluded in March. Following delays to the contract award, Barton Willmore was appointed and commenced work in April 2022. Meetings have taken place and the development of a detailed communication and engagement plan is currently being progressed in consultation with Moray Council. Moray Council have renewed commitments to work with Crown Estate Scotland and wider stakeholders to support the Masterplan and mutually beneficial projects.

### **Mallaig Learning Centre**

A site visit to Mallaig on 18 March 2022 and provided the property team the opportunity to meet staff from West Highland College (WHC), Mallaig Harbour Authority and explore Mallaig. The visit was a chance to understand how Mallaig Learning Centre operates, the existing facilities, how it interrelates to the harbour, wider town, local employment, and its role in the community.

As previously advised, the principal development was not commercially viable as an investment due to the suppressed commercial market and therefore it failed to comply with the Investment Strategy. Following the amendments to the Investment Strategy, the property team is working with WHC to explore the wider value aspects of the business case to allow Investment Committee to fully consider the investment opportunity.

Discussions have continued regarding third party funding, sustainability standards and the off-grid islands study. Opportunities for third party funding to offset the build costs have been exhausted however WHC have committed to explore if there is opportunity to fund as part of the merger of the three local colleges. Discussions have started to explore the scope and scale of the gap analysis based on both Crown Estate Scotland's and WHC low carbon aspirations, to better understand how this may affect development. In terms of the off-grid islands project, the procurement exercise has now completed and the contract awarded.



## Board Paper

**Date of Meeting:** 25 May 2022

**Classification:** Unrestricted

**Subject:** 2021-22 Q4 performance dashboard

**Paper Number:** BD(2022)30.4

**Annexes:** Annex A: 2021-22 Q4 performance dashboard  
Annex B: Dashboard notes

**Recommendation:** The Board is invited to note the dashboard.

**Presenter:** Esther Black

**Author:** Jessica Davidson / Esther Black

**Our purpose: Investing in property, natural resources and people  
to generate lasting value for Scotland**

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### 1. Purpose and context

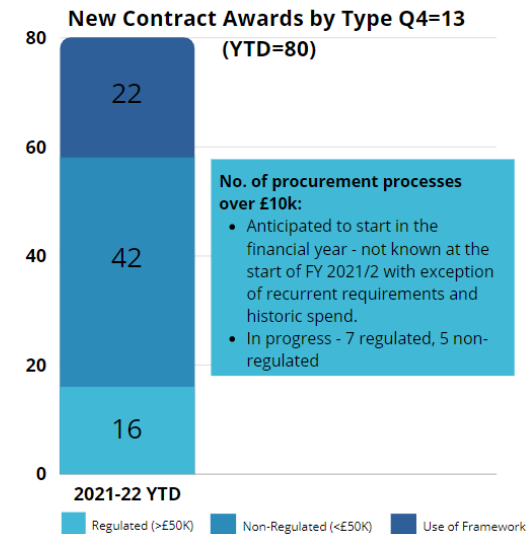
This paper provides an overview of key metrics for 2021-22 Q4.

## Business Plan actions

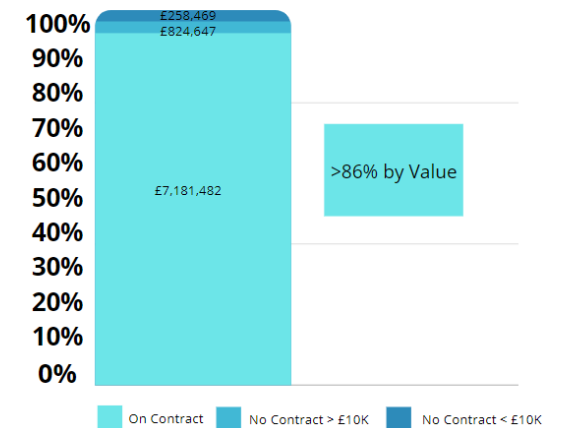
2021-22 Business Plan (39 Green, 13 Amber, 5 Red)				
No	Action	Measure	Status	Notes
13	Review charges for coastal mooring fees.	Review complete and implementation started.	Target will not be met	Process has now begun (per Board Mtg 23rd Feb) with ITT for socio economic work published and communications plan initiated. Tenders evaluated since and appointments confirmed to start in April 2022 and complete by end of year.
16	Complete development of the masterplan and deliver plan for the Montrose Zero4 and progress appropriate consents.	Plan and framework in place.	Target will not be met	Team partially procured via CCS framework. Retender required for remaining disciplines, now in selection. Good progress on all other fronts. Design progress expected to accelerate shortly once team in place.
28	Build on work to date on terrestrial Natural Capital and identify potential follow-on projects.	Options paper with recommendations for future work complete.	Target will not be met	Tendering for Glenlivet future plan now complete and appointment to start in May 2022, will incorporate natural capital work. Managing Agents, Strutt & Parker Farm Consultancy/Natural Capital team reviewing options for working with farm tenants.
32	Complete development of land use plan for the Glenlivet Estate	Project Board in place and draft plan completed.	At Risk/Delayed	Re-tendered work in Feb-March 22, tenders evaluated and offer of appointment made expected in April 22, proposed start in May 22.
34	Complete carbon audit for in-hand Glenlivet Estate operations and develop action plan	Draft report with recommendations received.	Target will not be met	Work to be incorporated in land use masterplan work at Glenlivet which was tendered on Feb/Mar 2022.
38	Encourage farm tenants to pursue woodland creation on farms.	New initiative developed and launched.	At Risk/Delayed	Progress delayed by launch of Pilot Farm Sales and consultation. Initial Woodland Partnerships guidance has been drafted and further consultation and engagement is required in spring 2022 due to the sensitivities in some sectors. Ongoing dialogue with farm tenants where tenants are looking at possible woodland projects.
41	Complete development of our approach to community engagement including implementation of our new communications and engagement strategy and recruitment of regional engagement officers.	Internal guidance in place. Overview of our approach / commitment published. Regional Engagement Managers for Highlands & Islands and Moray / NE Scotland recruited.	At Risk/Delayed	REM team in place. New brand guidelines rolled out with training. Comm engagement training delayed until Q1 2022-23 due to capacity pressures. Finalisation of our approach expected to follow shortly afterwards
44	Support Regional Marine Planning Partnerships.	Funding provided to support roll-out Participation in RMPP provided as appropriate.	Target will not be met	"2nd part of the measure will be achieved i.e. CES staff participating in RMPPs. However MS have requested that funding is rolled over to 22/23 so the measure ""funding provided to support roll-out"" will not be achieved. Progress has been delayed because of COVID and the need to consider findings from the parliamentary inquiry into regional marine planning."
49	Contribute to Scottish Government land registration targets.	Conflicts relating to Crown Estate Scotland-managed foreshore resolved. Registration of a rural estate progressed.	At Risk/Delayed	This is an ongoing issue involving multiple teams, not limited to reporting year 21/22. One rural estate has been submitted for registration to RoS in Q4.

## Procurement

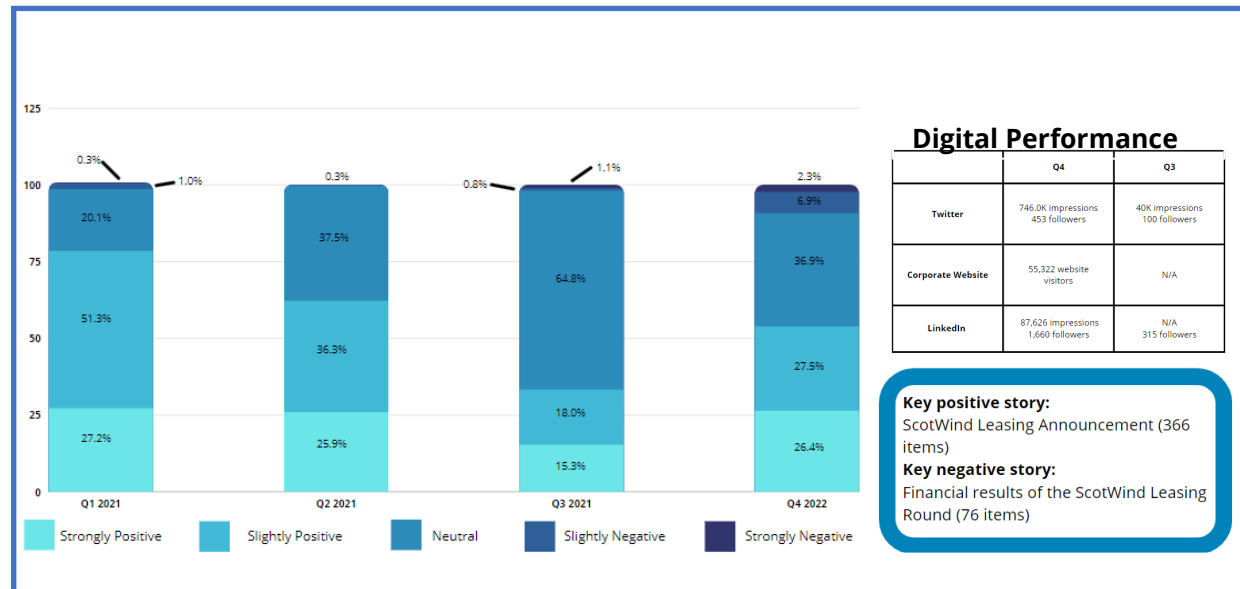
88 contracts LIVE on Register 26 of which are Regulated



**Purchase Orders with Contracts Q1-4**



## Media sentiment

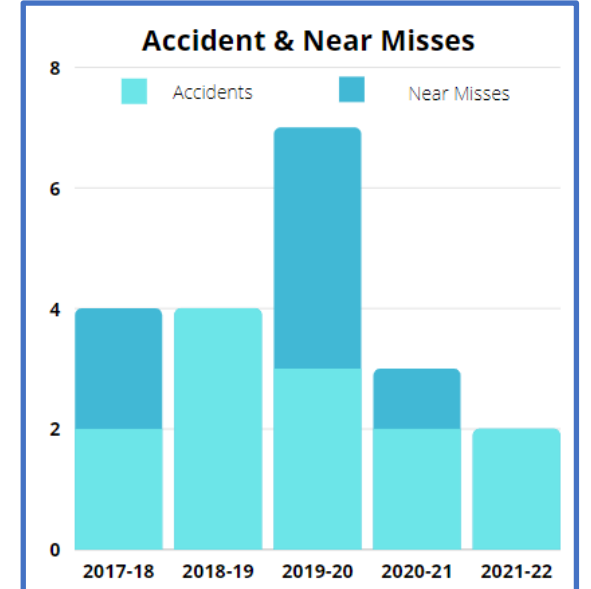


## FOI requests

**Requests Received:**  
Q1 9  
Q2 13  
Q3 4  
Q4 20

**Topics covered, Q4:**  
ScotWind, Leases & Consultancy Spend

## H&S

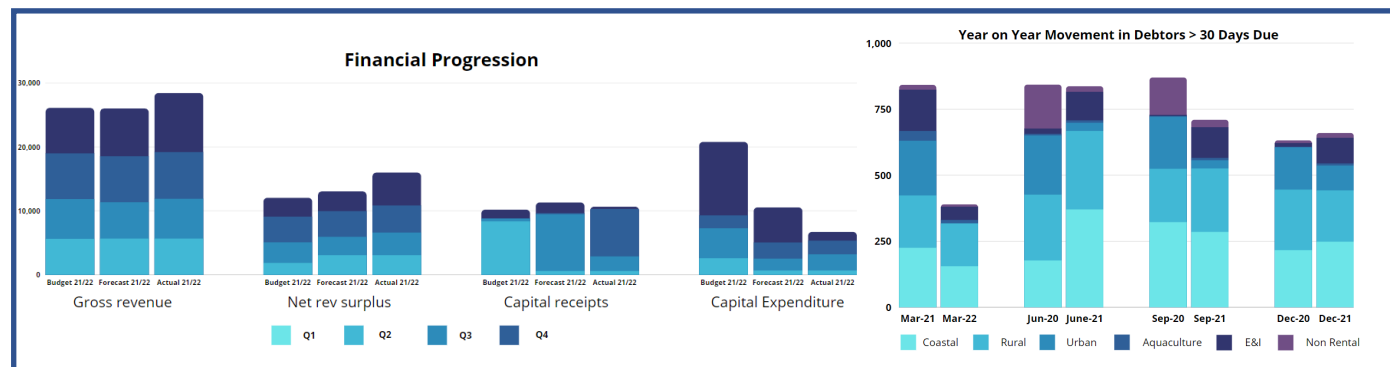


## Property

Vacant, marketable properties:

- Rural: 8
- Urban: 0

## Finance



KPIs 7 Green, 1 Amber, 3 Red	Q4 YTD	RAG Rating
Total Capital Committed (£)	£17,068,342	
Place Based Capital Committed (£)	£6,079,515	
Blue Economy Capital Committed (£)	£10,718.826	

## Crown Estate Scotland Dashboard – Notes

Q4 2021-22

Business Plan – reporting by exception

<b>Amber status</b>	At risk / delayed.
<b>Red status</b>	Target missed / abandoned / will not be reached.

Total – 39 green out of 57 actions. Total of 5 red and 13 amber actions.

### KPI

KPI in Corporate Plan	Definition	Corporate Plan 2023 target	Notes
3. Total capital committed	All capital committed in 2020-23 through approved final business cases and case sheets	£70m	Excludes feasibility and business case development costs.
4. Capital committed to place-based projects	Capital committed in 2020-23 through approved final business cases and case sheets for buildings & places	£27m, indicative	This relates to the objective: Invest in buildings and help create great places.  Assets: Built Environment.
5. Capital committed to blue economy	Capital committed in 2020-23 through approved final business cases and case sheets for blue economy	£26m, indicative	This relates to the objective: Support the sustainable expansion of Scotland's blue economy, focusing on marine and coastal development  Assets: Mainly Marine and Coastal, but also including projects in Built Environment with direct links to the blue economy.

### Notes

Total = Q3 + capital expenditure less capitalised salaries (capital tracker to 31/03/22) + Corpach (£500,000)

Total = Q3 + £495,507 (place based capital spend less capitalised salaries (capital tracker to 31/03/22))

Total = Q3 + £501,171 (blue economy capital spend less capitalised salaries (capital tracker to 31/03/22)) + Corpach (£500,000)

## Notes

### Procurement

#### ***New Contract Awards by Type***

Contracts awarded YTD – total number plus categories.

Graph depicts the cumulative number and type of contracts awarded during the period to Q4. A total of 13 contracts were let in Q4.

The total number of live contracts currently on the register (88) is provided for context and a comparison with the number of contracts let during the same cumulative period of 2020/21.

**Total value of all LIVE contracts over maximum duration including all remaining optional extensions is £ £21.3M**

All OJEU/WTO GPA Threshold and Regulated contracts for supplies and services listed in blue are above £50K and these are combined. Non-regulated contracts (orange) are those between £10K and £50K and will have been let using either quick quote or tender. These are combined.

In line with policy and our previous reports we have increased our use of frameworks and dynamic purchasing systems where we procure either using direct award or by further competition where this is the appropriate method to access.

Key: Turquoise = OJEU and Regulated Threshold.

Blue = Non-regulated.

Dark Blue = awarded following procurement exercise from framework or dynamic purchasing system.

#### ***Purchase Orders with Contract Q1-4***

% of PO value (i.e. spend) that is under contract YTD.

Purchase Orders Q1-Q4	Raised	Value	% QTY	% VALUE
On Contract	545	£7,181,482	73%	86.9%
No Contract > £10K	18	£824,647	2%	10.0%
No Contract <£10K	179	£258,469	24%	3.1%

Graph depicts the proportion of spend linked to a contract on the contract register for the period. This is based on cumulative purchase orders.

Total number of purchase orders raised in Q1 to Q4 is 742 with total value £8,264,598

Key: Turquoise = formal contract in place.

Blue = expenditure above £10K in total not on contract register but includes payments to BEIS and some payments to FDFSB, SCDI, Scottish Government, etc.

Dark Blue = purchase orders with cumulative spend below £10K for which contracts are not required to be on register.

Further context: some of the categories of higher value “Off-contract spend” where purchase orders have been raised but cannot be subject to a Procurement contract have been highlighted in the table below.

Community Capacity Grants	2	404,828.00
Environment Grant Funding	10	121,716.00
BEIS (FOWS) Contribution	2	94,346.00
Orkney Islands Council	1	94,346.00
FDFSB	2	40,707.00
Scottish Renewables Forum	6	26,850.00
SCDI	6	25,600.00
Solway Firth Partnership	1	25,000.00
QM2 Rates		47,000.00
Sub-Total		846,547.50

Number of procurement processes over £10K that are:

- Anticipated to start in the financial year – Not known at the start of FY 2021/2 with exception of recurrent requirements and historic spend.
- The balance of procurements which were expected to start in 2021/2 but which have not concluded in that Financial Year are listed as in progress (7 regulated and 5 non-regulated). These are at various stages including published with deadline after Q4, currently under evaluation or already awarded within Q1 of FY 2022/3 and to be reported in next dashboard.
- Measures have been implemented to improve accuracy when anticipating our forward requirements by using existing recurrent contract end dates combined with a number of new or one-off projects identified separately and discussed with budget holders after the budget setting process.
- Have been completed YTD – See above (80).

## **Stakeholder/Reputation**

### **FOI**

Number of requests for information, as responded to under the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004 from Q1-Q4.

Examples of topics covered within information requests received in Q4.

## **Media**

Sentiment by quarter on rolling 12-month basis.

Most positive and most negative story along with digital communications metrics.

Previous quarter figures are given where available. Future dashboards to include quarter-on-quarter figures for all metrics.

## **Health & Safety**

0 accidents and 0 near misses in Q1.

1 accident and 0 near misses took place in Q2.

1 Accident in Q3 on Fochabers Estate – Member of the public crashed car into the front of 7 the Square Fochabers (building owned by CES) injured parties taken to hospital. Building cordoned off until works can be completed to fix damaged.

No near misses in Q3.

No near misses or accidents in Q4.



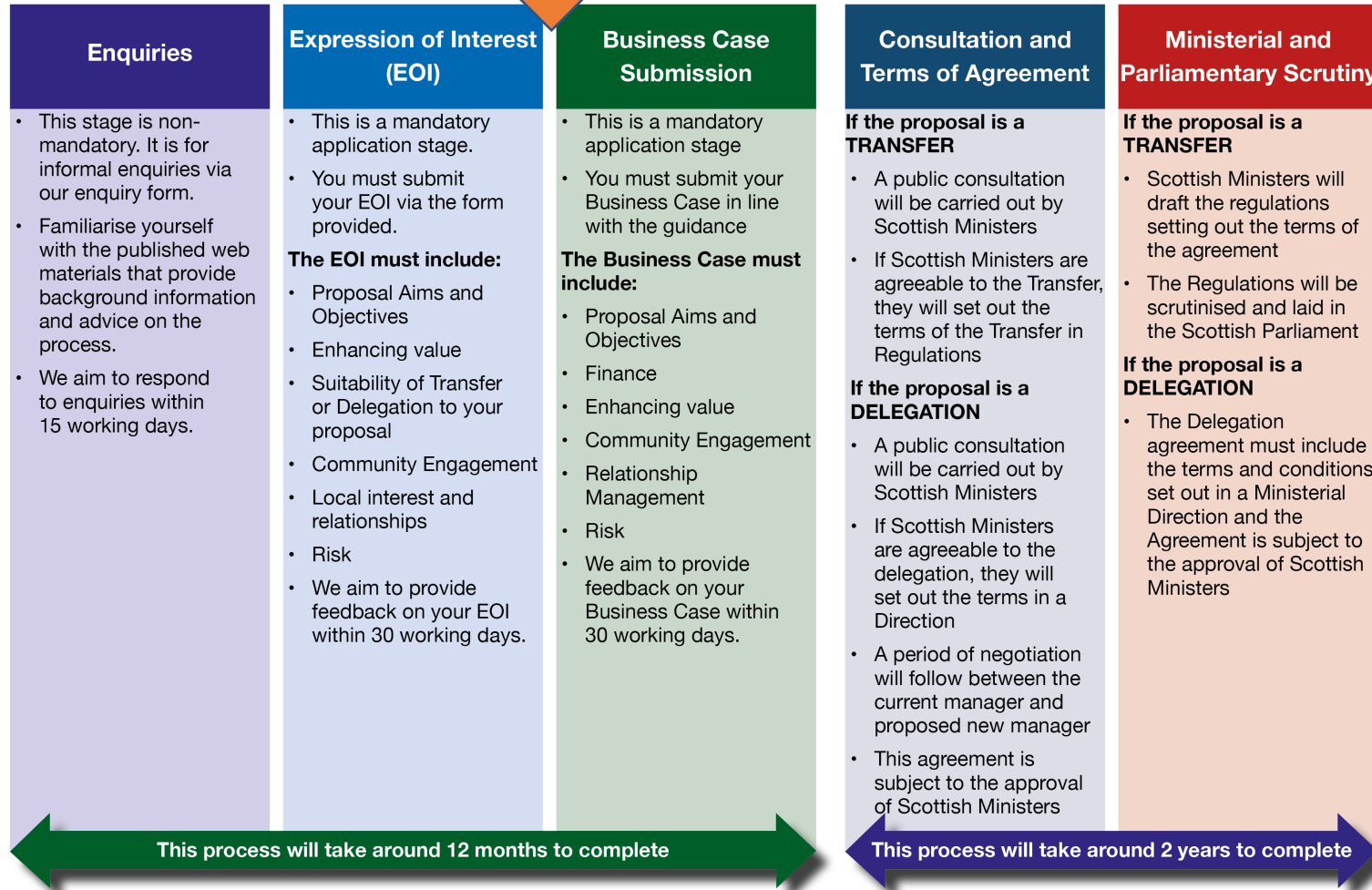
**Crown Estate  
Scotland**  
Oighreachd a' Chrùin Alba

# Transfers & Delegations update

Crown Estate Scotland Board  
25 May 2022

# Process

2 May 2022

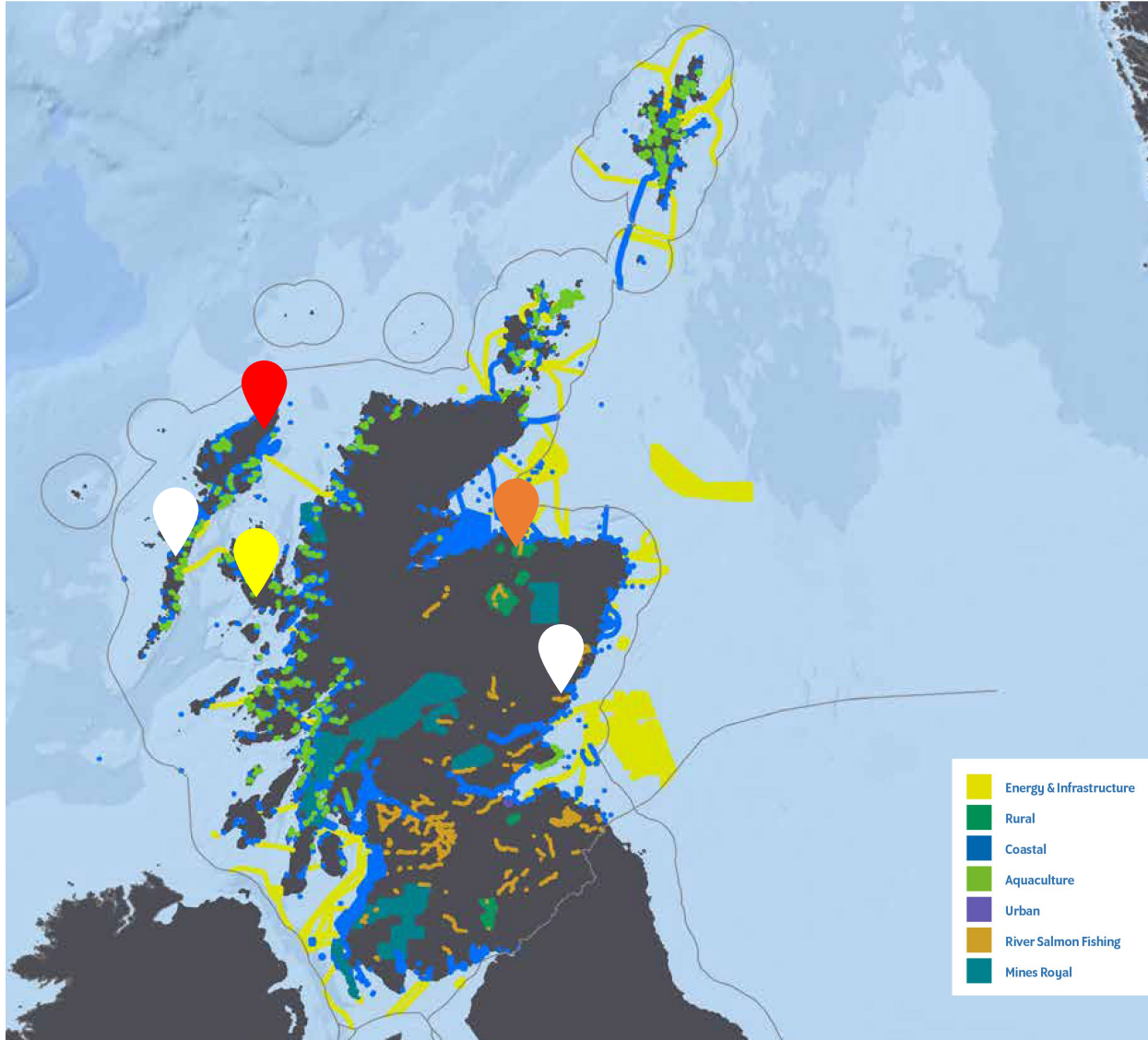


- Support via partnerships team and ET
- Two detailed responses, relatively short turnaround

- Crown Estate Scotland website info  
<https://www.crownestatescotland.com/how-we-help/communities/transfer-and-delegation>
- Scottish Government T&D hub website  
<https://marine.gov.scot/content/transfer-and-delegation-application-hub>



# Areas of interest



## Transfers:

- **Carbost Pier – 22 April**
- **Galson Estate Trust – 2 May**
- **Findhorn Village Conservation Company – 2 May**

## Delegations:

- Montrose Port Authority – n/s
- Comhairle nan Eilean Siar – n/s

# Indicative risks / issues

- All transfers => less complications around Accountable Officer/ delegation
- Fragmentation of seabed management
- Conflicts of interest
- Competition/ monopoly
- Galson Estate Trust
  - Large area includes N4 and foreshore
  - Unclear scope of assets for transfer – referred to as ‘marine’, although focus on wave
  - Applicant seeking to receive revenues derived from SCE
  - Significant liabilities to be managed associated with OW if in scope
- Carbost Pier
  - Limited risks to CES, but potential liabilities at scale for applicant
  - Applicant seeking removal of rental payments associated with SCE
- Findhorn Village Conservation Company
  - Unclear from application whether FVCC anticipate an ownership transfer
  - Applicant may not understand limitations to foreshore rights manager role and powers

# Indicative opportunities

- Galson Estate Trust
  - Capable organisation demonstrable track record
  - Strong governance model and understanding of SCE management from pilot discussions to date
  - Potential to enhance value of estate locally through focused development activities
- Carbost Pier
  - Limited risks to CES
- Findhorn Village Conservation Company
  - Synergies with adjacent ownership facilitating coordinated management
  - Leverage of third party funding if successful
  - Wider value associated with environmental improvements

# Resourcing (estimates)

- EOI stages input – c. 2 days FTE
  - Asset teams
  - Partnerships
  - GIS
  - ET/ directors
- Business case
  - Unclear – potentially significant
  - Coaching a necessity?

# Working with CESU and applicants

- CES coordination point with wider teams
- CESU managing tracker log
- CESU leading template approach to implementation agreement
- Additional liaison to explore alternatives (eg Carbost, MPA)
- Ongoing 'coaching' element

INTEGRITY, COLLABORATION, COMMERCIALISM, EXCELLENCE

## Board Paper

<b>Date of Meeting:</b>	25 May 2022
<b>Classification:</b>	Unrestricted
<b>Subject:</b>	Establishment of a Remuneration Committee
<b>Paper Number:</b>	BD(2022)30.9
<b>Annexes:</b>	<b>Annex A: Proposed Remuneration Committee terms of reference</b>
<b>Recommendation:</b>	The Board is invited to approve the establishment of a Remuneration Committee and to delegate oversight of pay to that Committee.
<b>Presenter:</b>	Jean Lindsay
<b>Author:</b>	Jean Lindsay/Simon Hodge

**Our purpose: Investing in property, natural resources and people  
to generate lasting value for Scotland**

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### 1. Purpose and context

This paper proposes the establishment of a Remuneration Committee with the terms of reference set out at Annex A.

### 2. Background

The recently disbanded People Committee provided valuable advice during the creation of new terms and conditions for staff and the development of a People Strategy and a Diversity and Inclusion Plan.

Crown Estate Scotland has not hitherto had a Remuneration Committee, but it is now considered to be the right time to establish one, especially given the recent move by Scottish Government to move away from the central bargaining deployed during the Covid pandemic. Many organisations have remuneration committees to oversee pay and reward practice.

In Crown Estate Scotland all staff except the Chief Executive are subject to collective bargaining arrangements. The Chief Executive is subject to a separate process governed by the Scottish Government. The Remuneration Committee and the Chief Executive would be the principal axis for oversight of pay, thus ensuring no conflict of interest within the staff group.

It is proposed that the Board delegate to the Remuneration Committee the governance and oversight of pay.

Proposed terms of reference are at Annex A.

**3. Recommendation**

The Board is invited to approve the establishment of a Remuneration Committee and to delegate oversight of pay to that Committee.

**4. Corporate / Business Plan alignment**

This proposal aligns with good governance practice.

**5. Risk Analysis**

This proposal mitigates any risk of conflict of interest in pay bargaining.

**6. Financial Implications**

This proposal is financially neutral but will support effective management of matters that affect the pay bill.

**7. People**

This proposal provides a clear and transparent basis for staff to have confidence in pay bargaining arrangements.

**8. Sustainable Development and Wider Value**

NA.

**9. Stakeholder relations / reputation**

This proposal adds to the sound basis for good industrial relations.

**10. Impact Assessments**

NA.

**11. Legal and compliance**

This proposal strengthens our compliance with good practice in pay bargaining.

**12. Project Governance and Performance Indicators**

NA.



## **Annex A: Proposed Remuneration Committee terms of reference**

### **Purpose**

The purpose of the Remuneration Committee is to provide governance oversight of how SG annual Pay Policy will be implemented across all Crown Estate Scotland pay bands, below CEO level, paying particular regard to equal pay. The Committee will approve the negotiating parameters for the pay negotiations with the Trade Union and will approve the final position on behalf of the Board. The Committee will also provide a strategic steer on the development and approve the Crown Estate Scotland Pay and Reward Strategy relating to all staff below CEO Grade.

### **Authority**

The Remuneration Committee is a sub-committee of the Board and is provided delegated authority from the Board.

### **Terms of Reference**

The Remuneration Committee's Terms of Reference are:

- To approve how the annual pay policy will be implemented.
- To review benchmarking data.
- To monitor the operation of the pay system, paying due regard to equal pay, leapfrogging overlapping and any other anomalies the annual pay award has the potential to create.
- To commission an equal pay audit when appropriate.
- To monitor the Gender Pay Gap.
- To approve the negotiating parameters for the Trade Union negotiations.
- To approve the final position (as distinct from approval of the budget, which includes total pay bill).
- To provide a strategic steer on the development of the Crown Estate Scotland Pay and Reward Strategy within the context of SG Pay Policy.
- To approve and monitor the Pay and Reward Strategy.

### **Membership**

The Remuneration Committee shall be Chaired by a Non-executive Member of the Board, and its members will include at least two other Non-executive Members of the Board. The Committee shall be attended by the Chief Executive of Crown Estate Scotland.

The Chair of the Board has an open invitation to attend any meeting.

The Senior HR Manager may also be invited to attend the meetings.

The quorum necessary for the conduct of the business shall be two Remuneration Committee permanent members.

### **Reporting**

Meetings of the Remuneration Committee will be minuted.

The Remuneration Committee is a sub-committee of the Board, and the Chair of the Remuneration Committee will report once a year or as required to the Board on the findings, conclusions, and outcome of the Annual Pay Award.

#### **Secretariat**

The Executive will provide the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

#### **Frequency of Meetings**

The Committee shall meet when the Pay Policy is published, to determine how policy will be implemented and again when the Trades Union pay claim is received to agree negotiating parameters. A further meeting may be needed to settle a final position. More strategically, ad hoc meetings may be required to develop and agree the pay and reward strategy.