



**Agenda**  
**Twenty-Sixth Meeting**  
**Crown Estate Scotland Board**  
**By video conference**  
**30 June 2021**  
**10am – 3.30pm**

10am	<b>1. Standing Items</b>		
	1.1	Welcome and Declarations of Interest	
	1.2	Approval of Minutes of Meetings held 24 February 2021	Attached
	1.3	Matters Arising and Action Trackers	Attached
	+ 1.4	Papers considered out of meeting	BD(2021)26.1
	+ 1.5	Stakeholder meetings	BD(2021)26.2
10.30	<b>2. Board Committees</b>		
	* 2.1	Audit & Risk Committee (16 March and 8 June 2021)	Attached
	2.2	Annual Report from Audit & Risk Committee	BD(2021)26.3
	2.3	People Committee (1 April 2021)	Attached
	2.4	Investment Committee (11 May 2021)	Attached
11.15	<b>3. Management Reports</b>		
	3.1	Chief Executive's Report	BD(2021)26.4
	3.2	Performance Dashboard	BD(2021)26.5
	* 3.3	Finance Report (end Q4)	BD(2021)26.6
<b>NOON – BREAK (45 minutes)</b>			
12.45	<b>4. Decisions and Discussion</b>		
	4.1	Positioning and comms in new administration	Verbal
	* 4.2	Carbon Capture & Storage – Leasing Offering Update	BD(2021)26.7
	* 4.3	INTOG	BD(2021)26.8
14.15	4.4	Montrose – Investment appraisals / decisions / plans	BD(2021)26.9
15.15	<b>5. Governance</b>		
	5.1	Annual Reports on FOISA / DP / Complaints	BD(2021)26.10
	5.2	Board – annual appraisals	Verbal
	<b>6. Any Other Business</b>		
	<b>7. Date of Next Meeting</b>		
		25/26 August 2021	

\*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>Twenty-Sixth Board Meeting</b>	<b>BD(2021)26</b>
<b>Meeting date</b>	<b>30 June 2021</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, 30 June 2021</b>		

## **Present:**

Amanda Bryan	Chair (from Minute Item 2.4)
Ann Allen	(from Minute Item 4.2)
Dr Michael Foxley	
Liz Leonard	
Jean Lindsay	
Andrew Macdonald	(until Minute Item 4.4)
Robert Mackenzie	
Euan McVicar	
Alister Steele MBE	

## **In attendance:**

Simon Hodge	Chief Executive (from Minute Item 2.4)
Esther Black	Director of Corporate Operations
Alastair Milloy	Director of Finance & Business Services
Colin Palmer	Director of Marine
Eilidh Todd	Board Intern
Helen Howden	Governance Manager (minutes)

## **By invitation:**

Sian Wilson	Senior Development Manager (E&I) (for Minute Item 4.2)
Jamie Macfarlane	Built Development Manager (Montrose) for Minute Item 4.4)

## **1. Standing Items**

### **1.1 Welcome and Apologies**

Robert Mackenzie welcomed everyone to the meeting, advising that the Chair and Chief Executive would join after the conclusion of their meeting with the Minister for Environment, Biodiversity and Land Reform. Mr Mackenzie welcomed Euan McVicar and Eilidh Todd to their first meetings of the Board following their recent appointments and noted that Ann Allen would join the meeting later.

On behalf of the Board, Mr Mackenzie asked that the minutes record the sadness felt across Crown Estate Scotland following the sudden death of John Robertson, Head of E&I, on 30 May 2021. John's death was a personal loss to his family, friends and colleagues but also a loss to

the organisation and beyond given the invaluable contribution which John had made to Crown Estate Scotland and to development of offshore wind leasing in Scotland.

## **1.2 Declarations of Interest**

There were no declarations of interest in items listed on the agenda for the meeting.

## **1.3 Approval of Minutes of Meeting held on 24 February 2021**

The minutes of the meeting held on 24 February 2021 were approved.

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

**Noted** that:

- (a) the Board did not consider that action 24/1 (Board consideration of targets for asset values) had been completed and that this action should remain open until such time as a position had been reached on whether such targets should be set.
- (b) action 24/4 (scrutiny of contract management information) was closed as this has been added to the action tracker for the Audit & Risk Committee. The Committee would also consider delegated authority and the threshold at which contracts being awarded from a framework required Board approval.

## **1.5 Papers considered out of meeting (paper BD(2021)26.1)**

**Noted** that:

- (a) the capital challenge funds had been launched. One member still considered that the application process was unduly onerous, and that the application process should have some flexibility to avoid unnecessary work on the part of applicants.

**Agreed** that:

- (a) where there were actions arising from the papers circulated out of meeting these should be added to the Board action tracker. The Governance Manager would add any actions and circulate the updated action tracker to members by email.

**Action: HH (26/1)**

## **1.6 Stakeholder meetings (paper BD(2021)26.2)**

The Board **noted** the paper.

## **2. Board Committees**

### **2.1 Audit & Risk Committee – 16 March and 8 June 2021**

**Noted** that:

- (a) the investment in MeyGen had been identified as an emerging risk. Close monitoring of the position was being undertaken by the E&I team as well as by the Finance Team. Regular discussions were taking place with MeyGen and with Scottish Enterprise in relation to this project. Negotiations on a remedial plan had commenced and were anticipated to have concluded by late September / early October.
- (b) considerable progress had been made in relocation the office to Quatermile Two and in readying the office for use. Given that it was likely a majority of staff would want to continue working remotely it was queried as to whether the new office was too big. It was explained that the office was not considered to be too large, with forty desks available for the approximately 60 staff who had the Edinburgh office as their base. As restrictions eased and staff started to return to the office, desk use would be monitored.

**Agreed that:**

- (a) the Audit & Risk Committee would receive an update on the MeyGen investment at the next Committee meeting and further information provided to the Board once the remedial plan had been agreed.

**Action: CP (26/2)**

## **2.2 Annual Report from the Audit & Risk Committee (paper BD(2021)26.3)**

The **Board** noted the content of the annual report.

## **2.3 People Committee – 1 April 2021**

**Noted that:**

- (a) a “health check” exercise had been completed and the results were informing the development of Crown Estate Scotland’s approach to diversity and inclusion.
- (b) the line management of the HR function would move from the Director of Corporate Operations to the Director of Finance & Business Services and that the chairing of the People Committee would also move with effect from 1 July 2021. Both Directors had worked closely to ensure a smooth transition of the function.

**Agreed that:**

- (a) the remit of the Committee should be considered later in the year and a recommendation made to the Board as to whether it was still required.

**Action: AM (26/3)**

*The Chair and Chief Executive joined the meeting.*

## **2.4 Investment Committee – 11 May 2021**

**Noted that:**

- (a) the Committee had received a presentation on the Montrose ZeroFour development and had confirmed that they were supportive of the proposals set out to them. The Board would hear from the Built Development Manager about this development later in the meeting.
- (b) the Energy Ports Development Manager had provided the Committee with an overview of current position in respect of discussions with the three island councils about port developments. It had been agreed that regular updates would be provided to the Committee and that a meeting with Orkney Islands Council should be scheduled at an appropriate time.
- (c) consideration had also been given to the results of the annual property valuation and to possible changes to how valuations were undertaken in the future. The Committee noted that the general valuation trend was upward however two assets were a concern, Rhu marina and George Street. Options appraisals for both properties were in preparation and the Committee would consider proposals once the appraisals had been completed.
- (d) the Committee had indicated that it would welcome a discussion on the organisation's future role in forestry and Jean Lindsay asked that she and the Chair be included in any such discussion.

**Agreed that:**

- (a) the Chair would discuss with the Chair of the Investment Committee and the Chief Executive how to approach the debate on the future of forestry, its interaction with agricultural assets and the current and future carbon value of forestry.

**Action: AB (26/4)**

### **3. Business Management**

#### **3.1 Chief Executive's Report (paper BD(2021)26.4)**

**Noted that:**

- (a) the new managing agents were now fully in post and contract performance being actively monitored. Feedback from tenants and other stakeholders would be sought over coming months and an internal audit report of the contracts undertaken in early 2022.
- (b) the new H&I Regional Engagement Manager had been appointed and further recruitment for the North East Engagement Manager would commence shortly. Consideration would be given to membership of relevant partnerships in accordance with corporate priorities and the capacity of the team.
- (c) applications to the ScotWind leasing round required to be received by 16 July and an update on the overall programme and level of interest would be issued later in July. Support for the E&I team for the review process would be sourced from within the organisation.

- (d) acknowledging that the emerging political landscape, engagement with Scottish Government in relation to the root and branch review of aquaculture should be undertaken before any discussion with tenants on the review proposals was undertaken.

**Action: CP (26/5)**

- (e) the Board asked the Chief Executive if the structure of his Executive Team remained appropriate at the point of the Director of Property's departure and considering the breadth of work within the Marine team. The Chief Executive explained that recruitment for a new Director of Property was underway and that the role contained an emphasis on built development experience. The structure of the Executive Team would require to be informed by the future vision for Crown Estate Scotland which the Board would be starting to discuss during a session in August.
- (f) the Board will be provided with further information in relation to the project proposed by the sponsor team in relation to voluntary registration of the foreshore.

**Action: AW (26/6)**

### **3.2 Performance Dashboard (paper BD(2021)26.5)**

**Noted that:**

- (a) the format of the dashboard would be updated for Q1 2021-22 and circulated to the Board out of meeting. This would include trend information which the Board had previously requested. Jean Lindsay and Euan McVicar confirmed that they would be available to review the amended format and provide feedback in advance of it being finalised.
- (b) the Director of Finance and Business Services was asked to consider if the finance report could include information on the rental income being lost by having properties unlet.

**Action: AM (26/7)**

### **3.3 Finance Report (paper BD(2021)26.6)**

**Noted that:**

- (a) the figures presented in the finance report mirrored those in the draft annual report and accounts which had been circulated to the Board earlier in the month. Revenue for 2020-21 matched that of the previous year and reflected the steps taken by the business to respond to COVID and Brexit.

## **4. Decisions and Discussion**

### **4.1 Positioning and comms in the new Administration**

**Noted that:**

- (a) the Chair and Chief Executive had held an extremely positive meeting with the Minister for Environment, Biodiversity and Land Reform immediately before the Board meeting.

They had given the Minister a formal introduction to Crown Estate Scotland. The Minister advised that the Scottish Government were focusing on delivering a green recovery and was complimentary of the approach taken by the organisation in placing people and community at the core of the business. A meeting with the Minister and the Board would be arranged in the coming weeks.

*Secretary's note: the Minister met with the Board and the Chief Executive on 27 July 2021.*

- (b) the comms team were using a tracker to monitor engagement with MPs and MSPs and were ready to write to the committee convenors once these had been announced. The team were working on building awareness of Crown Estate Scotland and its reputation across various policy teams within Scottish Government, seeking to being sighted on emerging policy. Engagement with cross-party committees was focused on those most relevant to the work of Crown Estate Scotland.
- (c) if the SNP entered into a coalition government with the Greens there were a number of areas, such as wilding, forestry and aquaculture, where the Greens' policy could potentially have an impact on Crown Estate Scotland activity.
- (d) to support conversations and building awareness opportunities would be sought to invite Ministers to visit sites and projects on the Scottish Crown Estate.

*The Board adjourned for lunch and on their return were joined by Ann Allen who was welcomed to her first Crown Estate Scotland Board meeting.*

*The Senior Development Manager (E&I) also joined the meeting*

#### **4.2 Carbon Capture and Storage – leasing offering update (paper BD(2021)26.7)**

**CLOSED BUSINESS - CONFIDENTIAL**

**Noted that:**

- (a) as the Board had discussed during its recent strategy session on the Blue Economy, there was a requirement for investment in carbon capture and storage (CCS) to support the move to net zero and the decarbonisation of North Sea oil and gas. The Board were being provided with an update at this stage in advance of a possible decision being required later in the year.
- (b) a request had been received from a developer seeking an exclusivity agreement to strengthen their application to a UK Government funding round in July 2021. This would be an ad hoc process and legal advice had been obtained in relation to it. The intention to enter into an option agreement would require to be advertised for a period of three months. It was unlikely that there would be any other bids, but the process could be stopped and amended if another bid came forward.
- (c) a report had been commissioned by Crown Estate Scotland to help identify appropriate leasing terms and conditions for new CCS agreements. Board consent would be requested before the terms of any option agreement are finalised. The option would not give access to the seabed. Marine Scotland had been consulted in relation to the proposed approach as they were the regulator within 12nm but not the sole actor in the determination of whether the CCS project would proceed.

- (d) the interaction with other activity in the marine environment, such as offshore wind, required to be considered and these included the risk to offshore wind turbines from the subsea activity around which there were still technical and legal challenges to resolve.

*The Senior Development Manager (E&I) was thanked for her contribution to the discussion.*

#### **4.3 Innovation and Targeted Oil and Gas Leasing (paper BD(2021)26.8)**

**CLOSED BUSINESS - CONFIDENTIAL**

**Noted that:**

- (a) Scottish Government's current Sectoral Marine Plan (SMP) includes provision for a leasing round to enable projects for the decarbonisation of the oil and gas sector. Three main categories of offshore leasing are being contemplated: mainstream offshore wind leasing (ScotWind and subsequent leasing rounds); Targeted Oil and Gas; and Innovation, which will have a project cap of 100MW. To allow for this strategic planning work requires to be undertaken to identify locations and ensure that there is not conflict with other marine projects in Scottish waters.
- (b) this paper provides the Board with an introduction to the background to this work and is seeking a mandate from the Board to allow for the necessary planning for this next leasing round, currently referred to as INTOG (Innovation and Targeted Oil and Gas Leasing). Ministerial approval will also require to be obtained. The Board were advised that there were matters of devolution vires which were under discussion between the Scottish Government and the Department for Business, Energy & Industrial Strategy (BEIS).
- (c) the planning for this work, which must dovetail with Scottish Government's forthcoming energy strategy, requires to set out what offshore wind capacity is needed to achieve oil and gas decarbonisation. It would be preferable that in the development of this roadmap a capacity ceiling is set for INTOG, linking it specifically to oil and gas decarbonisation policy objectives and providing a distinction from other windfarms being delivered through ScotWind.
- (d) discussions with Marine Scotland had identified that the first implementation steps which were set out in the paper. It was crucial that Marine Scotland had sufficient capacity and resource available to ensure that this process could move forward without delay. It was recommended that the marine planning for INTOG and Innovation leasing would be carried out at the same time as the planning for future ScotWind leasing rounds and the associated grid connections.
- (e) the current ScotWind leasing round had, after the rapid review on commercial approach, continued on the basis of capped option fees, no lease premia and a turnover rent formula. It was proposed that, with the exception of Innovation leasing, an open market approach was most likely to be appropriate, unless there were public interest reasons to depart from this approach. For Innovation leasing it was likely that a simple and certain commercial approach would encourage pre-commercial testing and development.
- (f) there was a complexity in relation to a commercial approach and that further work would be commissioned to inform the approach.



- (g) Scottish Government officials had indicated, in a meeting on 9 June 2021, that Scottish Ministers were expressly neutral on the future business composition of the offshore wind sector in Scotland.
- (h) the approach to future leasing rounds would continue to focus on promoting successful offshore wind development in Scotland however this might change as competition law requirements and trading arrangements with the EU evolve. The Board supported the proposed use of Supply Chain Development Statements but suggested that flexibility be retained in relation to this to allow for changes in the market and in legislation. Michael Foxley argued that more should be required of developers in relation to the development of the supply chain and that this should be explicit in the procurement.
- (i) that Scottish Ministers might desire to make announcements in relation to future leasing in advance of COP26.

**Agreed that:**

- (a) the Board:
  - i. supported the joint preparation of an offshore wind development roadmap with Scottish Government, dovetailing with the scheduled update to Scotland's Energy Strategy;
  - ii. supported the recommendation the roadmap incorporating scheduling of the lease preparation and marine planning for INTOG and future ScotWind leasing rounds;
  - iii. supported the maximisation of leasing opportunities through INTOG within the capacity ceiling indicated by Marine Scotland in the INTOG planning documents;
  - iv. confirmed a preference for a marine planning led approach to future leasing;
  - v. supported the principle of open market approaches to pricing unless there were sound public interest reasons to depart from this approach;
  - vi. indicated that it was satisfied with the preliminary view that Innovation leasing is likely to warrant a fixed price approach;
  - vii. indicated that it was comfortable with the preliminary view that INTOG leasing and future ScotWind leasing rounds should incorporate elements of open market price setting unless there were sound public interest reasons to depart from this;
  - viii. the Board supported the principle of continued deployment of Supply Chain Development Statements, however there should be a flexibility in approach to allow changes in legislation to be accommodated;
  - ix. approved the use of the paper as the basis of a submission to Scottish Ministers, subject to a change being made to recommendation 5; and
  - x. supported the preparation for high-level communications to be undertaken on these future leasing round to allow them to be issued when procurement for consultancy and support contracts are tendered.
- (b) the Board agreed that it was important that Marine Scotland had sufficient capacity and resource to undertake the necessary marine planning timeously. Before the paper was used as the basis for submission to Scottish Ministers, the Director of Marine was however asked to consider the re-wording of the recommendation 5 in the paper to make it clear that capacity in Marine Scotland had been identified by the Board as necessary to successful delivery of INTOG and future ScotWind leasing.

**Action: CP (26/8)**

*Andrew Macdonald gave his apologies and left the meeting at this point.*

*The Built Development Manager (Montrose) joined the meeting.*

#### **4.4 Montrose – Investment appraisals / decisions / plans (paper BD(2021)26.9)**

**Noted that:**

- (a) the Investment Committee had received a detailed presentation on the proposed vision and approach to strategic development for the Montrose ZeroFour site, which they had endorsed. The scale of the project required that the Board be asked to confirm its support.
- (b) the site was seen as a positive driver for activity in the area, providing infrastructure and built development assets to support the demands of the offshore wind sector. The aspiration was to create a site which was environmentally sound, energy efficient and innovative, using futureproofed technological infrastructure. This vision would meet a number of the objectives in the current Corporate Plan.
- (c) the Board were provided with a presentation setting out the development of relationships with stakeholders and interested parties and a review of the current planning, zoning and proposals for future development, including the creation of a “priority channel” to facilitate some early plot development, which could potentially include a hotel, drone port and some trade counters.
- (d) an energy strategy for the site required to be developed before work on the construction of the road infrastructure started and one of the next steps was to commission consultants to develop this strategy. These consultants would form part of an initial team to provide support to take forward the plans for the development and the costs were included in the budget for the site for 2021-22. The appointments would be made from a Crown Commercial Service framework.
- (e) a Memorandum of Understanding was being adjusted with Angus Council to provide a basis for collaborative working in relation to the site.
- (f) The market for sectoral uses would continue to be assessed as plans for ZeroFour developed.
- (g) an approach had been received from a developer for an alternative use of the site and more information on this was being gathered, including whether it had the support of Angus Council.
- (h) the Board asked about employment and what consideration had been given to recruitment in an area of low unemployment and to the impact this site would have on the neighbouring community. Further information on employment would be developed as part of the evolution of the vision for the site and the local community would be consulted as part of the process.
- (i) the Board asked that consideration be given to starting engagement with the local community on proposals for the site rather than waiting to make milestone announcements. It was felt that it was important to engage rather than communicate and that a place-based approach was to be commended.

- (j) a paper on Crown Estate Scotland's role as developer would be submitted to the next meeting of the Investment Committee and would include a review of the roles which the organisation could take in relation to development, including whether it should lead development.

**Agreed that:**

- (a) the Board approved the vision and the development approach for the Montrose ZeroFour site, including the appointment of the core professional consultants.

## **5. Governance**

### **5.1 Annual Reports on FOISA / DP / Complaints (paper BD(2021)26.10)**

The Board **noted** the content of the paper which had previously been reviewed by the Audit & Risk Committee.

### **5.2 Board – annual appraisals**

**Noted that:**

- (a) the Chair had completed the annual appraisals and that these would be sent to the sponsor team. The Board would hold its annual discussion on effectiveness on 10 August.

## **6. Any other business**

### **6.1 Committee membership**

**Agreed that:**

- (a) Ann Allen would join the Investment Committee and that Euan McVicar would join the Audit & Risk Committee.
- (b) the Board thanked Alister Steele for having joined the Audit & Risk Committee on a temporary basis and for his contribution to the meeting he had attended.

## **7. Date of Next meeting**

25/26 August 2021 (strategy session)  
30 November 2021 (quarterly meeting)

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**Amanda Bryan**  
**Chair, Crown Estate Scotland**

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**Date**

## Board Paper

**Date of Meeting:** 30 June 2021

**Classification:** Confidential (in part)

**Subject:** Papers considered out of meeting

**Paper Number:** BD(2021)26.1

**Annexes:** n/a

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

**Presenter:** Helen Howden

**Author:** Helen Howden

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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. Papers

#### **BD(2021)OOM2 – Legal Services**

The Board were asked to note the outcome of the procurement undertaken to secure a legal services contract for the organisation and to note that the Executive Team had approved the award of the contract to Anderson Strathern.

#### **BD(2021)OOM3 – Risk Register**

The Board received an updated version of the strategic risk register by email on 17 March 2021 and were asked to confirm that it was accurate and complete in relation to key corporate risks. The risk register had been reviewed by the Audit & Risk Committee during its meeting on 16 March 2021.

Members requested that consideration be given to reflecting their concerns on contract management in the risk register. The Chair of the Audit & Risk Committee suggested that the Board wait until after the completion of an internal audit before further reviewing the register.

Liz Leonard commented that the mitigation measures for risk 9a (relating to ScotWind) should include a communications plan.

The Board approved the adoption of the risk register as presented.

#### **BD(2021)OOM4 – Capital Challenge Funds**

Approval for the implementation and delivery of Capital Challenge Funds (for Marine boat based tourism; Local Partnerships; and Innovation with Natural Resources) was sought from the Board in a paper sent electronically on 17 March 2021.

The Board raised a number of points in relation to the staged process for applications, favouring an approach which streamlined decision making. The Chair concluded the discussion by email on 21 April 2021, noting that the Board were in favour of a simplified process and that the Executive Team would work to implement this. The Investment Committee will retain oversight of the operation of the Capital Challenge Funds.

#### **BD(2021)OOM5 – ScotWind Rapid Review Change of Control**

**Confidential**

This item is considered exempt from publication under s33(1)(b) of the Freedom of Information (Scotland) Act 2002.

#### **BD(2021)OOM6 – Budget 2021-24**

Following review and challenge by the Audit & Risk Committee in a meeting attended by other Board members, the draft Budget for 2021-24 was sent for approval out of meeting on 30 March 2021.

A majority of the Board confirmed their approval. The Board expressed thanks to the Financial Controller and her team for the work undertaken to prepare this budget.

#### **BD(2021)OOM7 – New staff contract**

The Board were asked, in a paper sent by email on 30 April 2021, to approve the conclusion of the consultation on the new staff contract.

During the exchange of email which followed, members provided comment on the provisions on sick pay and mobility. The Director of Corporate Operations noted these comments and confirmed that they would be included, including that the mobility clause would refer to the formal reporting point of the relevant member of staff.

In her email of 7 May 2021, the Chair concluded the discussion confirming the Board's approval and noting that feedback had been given to the Executive Team for consideration.

#### **BD(2021)OOM8 – Pay Award 2021-22**

The Board received a paper from the Senior HR Advisor on 30 April 2021 seeking approval for the annual pay award 2021-22. The recommendation was to implement the interim pay award proposed by the Scottish Government for 2021-22. During discussion by email, the Director of Corporate Operations confirmed that the increased was included within the 2021-22 budget.

In her response, confirming approval, Jean Lindsay re-iterated a point she had already made, that making an award for those earning above £80,000 was not a guaranteed increase. She

suggested that this, subject to a benchmarking analysis, might be a point the Board would want to consider. Jean Lindsay advised that she was looking forward to seeing the next stage of the

pay 2021-22 award, as well as benchmarking data, an equal pay assessment and a discussion around a 35-hour working week.

The Chair advised that she would like to see the organisation monitor pay progression, particularly in relation to those with excellent ratings. The Chair then confirmed the Board's approval of the award in her email of 7 May 2021.

#### **BD(2021)OOM9 – Local Management Pilots – Learnings Report**

The Board received a paper from the Partnerships Manager on 30 April 2021, seeking authorisation for the release of the report to the identified stakeholders.

Members noted that there were several abbreviations in the paper which should be reviewed to ensure that the paper was accessible to stakeholders. Members also noted that staff had raised concern about the impact of transfer and delegation of management of the Scottish Crown Estate on them. The Director of Corporate Operations advised that staff had been involved in the work being undertaken by consultants appointed by Scottish Government in relation to the transfer and delegation provisions in the Scottish Crown Estate Act 2019.

The Board approved the release of the report and agreed to discuss the matter further.

#### **BD(2021)OOM10 – E&I Workforce Planning**

On 11 May 2021, the Board were asked to support a recommendation to create eight new roles in E&I over the next two years.

Jean Lindsay asked how much of this additional resource could and should have been foreseeable at the time of development of the workforce plan in 2020. The workforce plan approved in July 2020 noted that the Executive Team expected that more capacity in E&I would be required, that the workforce planning was a two-stage process. At the time of the request to Board in July 2020 the E&I were implementing changes to their team structure to maximise efficiency and they were starting to assess the resource requirement to support the expansion of activity in the sector, including the ScotWind leasing round.

The Board, while supporting the recommendation, made the following points to the Executive Team:

- given the critical position of offshore activities, has consideration been given to having a more focussed Director role?
- In a similar vein, as we currently have a Director of Property vacancy and have recently amended the scope of the other two Director roles, is there any merit in a wider review of the management team structure and roles?
- the report sets out proposals to progressively recruit the additional staff. Over the last year Board Reports have continually made the point that we have been under-resourced or resources have lagged the workload demands. What consideration was given to accelerating recruitment to create additional capacity earlier?

- the report also highlights an issues with HR capacity and the intention to use an external recruitment agency. The outsourcing of services linked to specific proposals is a common feature of our approach. It would be helpful if future workforce planning becomes resource

planning, include outsourcing proposals, which would give the Board a better overview of the resources required to deliver the Corporate or Business Plan.

- can the Board have assurance that in future an annual Resource Plan will be aligned with the Budget and Business plan and presented to the Board as a package for approval.

## Board Paper

**Date of Meeting:** 30 June 2021

**Classification:** Unrestricted

**Subject:** Stakeholder Meetings

**Paper Number:** BD(2021)26.2

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

**Presenter:** Amanda Bryan

**Author:** Helen Howden

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to generate lasting value for Scotland**

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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 4 February to 18 June 2021.

### 2. Meetings and Events attended

The Chair and Chief Executive both attended or met:

- Mike Palmer and David Pratt, Marine Scotland, re TCE Round 4 outturn on 8 February 2021, also attended by Simon Hodge and Colin Palmer.
- Aquaculture stakeholder round tables on 19 February 2021.
- SOLACE office bearers on 24 February 2021.
- Convention of the Highlands and Islands on 16 March 2021.
- Debrief re ScotWind Rapid Review with Marine Scotland, on 23 April 2021, also attended by Colin Palmer.

Members are asked to note that during the period of the ScotWind Rapid Review, the Chair and Chief Executive, along with members of staff, held various meetings with Scottish Government Ministers and Officials.

A meeting has been arranged for the Chair and Chief Executive with the Leader and Chief Executive of Angus Council for 29 June 2021.

The Chair and Chief Executive are also scheduled to meet with the Minister for Environment, Biodiversity and Land Reform on 30 June 2021.



The Chair attended or met:

- Director, Marine Scotland, on 4 February 2021.
- the Cabinet Secretary for Environment, Climate Change and Land Reform, the Minister for Rural Affairs and the Natural Environment, and Scottish Government officials re the ScotWind response to TCE Round 4 outturn, on 9 February 2021.
- Marine Scotland to discuss the scope of the ScotWind review, on 10 February 2021.
- Chief Executive, Scottish Renewables, regarding ScotWind delay, on 11 February 2021.
- Public Appointments Scotland and members of the interview panel, to sift applications for Board appointment, on 17 February 2021.
- the Minister for Energy, Connectivity and the Islands, the Minister for Rural Affairs and the Natural Environment and Scottish Government officials re the scope for the ScotWind review, on 18 February 2021.
- Interviews for the appointment of new Board members on 2, 3 and 4 March 2021.
- Environment, Climate Change and Land Reform portfolio event with the Cabinet Secretary for the Environment, Climate Change and Land Reform and the Minister for Rural Affairs and the Natural Environment on 17 March 2021.
- James Stuart, consultant re transfers and delegation arrangements, 15 April 2021.
- Speaker at UHI/HIE , “Building the Blue Economy” webinar, 15 April 2021.
- Alistair Nairn, tenant farmer at Glenlivet, with Jean Lindsay and Andrew Wells, on 16 April 2021.
- Rob Gibson, Chair, Lochbroom Community Renewables, on 16 June 2021
- Director Marine Scotland, re forward planning and annual appraisal, on 17 June 2021.

The Chair is also scheduled to attend the SCDI H&I Awards event on 24 June 2021.

The Chief Executive attended or met with:

- Environment and Economy Leaders Group, 16 February 2021
- Orkney Islands Council re Scapa Deep Water Quay, on 17 February 2021, also attended by Colin Palmer, Paul Bancks and Tom Mallows.
- Tavish Scott, SPSO, on 2 March 2021.
- Anne McCall, RSPB Scotland, on 3 June 2021.
- David Pratt, Marine Scotland, on 26 April 2021 and 9 June 2021.

## Board Paper

**Date of Meeting:** 30 June 2021

**Classification:** Unrestricted

**Subject:** Audit & Risk Committee Annual Report to the Board and Accountable Officer

**Paper Number:** BD(2021)26.3

**Annexes:** **Annex A: Annual Report**

**Recommendation(s):** The Board is invited to note the content of the report at Annex A

**Presenter:** Robert Mackenzie, Chair of the Audit & Risk Committee

**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

The terms of reference for the Audit & Risk Committee specify that it is to provide an annual report to the Board and Accountable Officer summarising conclusions from the work it has done during the year. The Report is attached at Annex A and includes the organisation's annual report on Health & Safety.

## **ANNEX A: AUDIT & RISK COMMITTEE ANNUAL REPORT 2020-21**

### **Introduction**

This Report which is sent from Audit & Risk Committee to the Board and to the Accountable Officer, ahead of his signing the corporate governance statement and annual accounts, gives information on some of the discussions which have taken place in the Committee's meetings held during the financial year 2020-21. These include those related to discharging its essential functions in ensuring the integrity of Crown Estate Scotland's financial reporting; in reviewing the effectiveness of the organisation's assurance framework, internal controls and risk management; and in having oversight of the management of health & safety risks within the organisation.

The minutes of the Committee meetings are sent to the Board and the Chair of the Committee verbally updates the Board on the work of the Committee during quarterly Board meetings. The agenda and papers for the Committee meetings are available to all Board members in the Board portal.

### **Committee Membership**

As required by the terms of reference, the Committee has three members appointed by the Board – Robert Mackenzie (Chair), Jean Lindsay and Richard Morris.

As Richard Morris stepped down from the Board at the end of his second term on 30 April 2021, a new member of the Committee will be appointed by the Board.

### **Meetings**

The Committee held five meetings during the year, on 28 April 2020, 23 June 2020, 27 October 2020, 26 January 2021 and on 16 March 2021. The additional meeting held in January 2021 was included in the schedule to facilitate a better alignment of meetings with the organisation's key financial reporting points. The Committee also met on 10 March 2021 with other members of the Board to discuss the draft budget for 2021-21.

The Committee held a private session (without officers present) with the external and internal auditors before the meeting on 27 October 2020.

Due to COVID-19 restrictions, meetings were held using video conferencing.

Regular attendees at the Audit & Risk Committee meetings include the Chief Executive, the Director of Finance & Business Services, the Financial Controller, and representatives of the internal and external auditors. Other attendees, who attend at the invitation of the Committee, include the Director of Corporate Operations, the Director of Marine, the Director of Property and the Procurement Manager. Further detail on attendees is given at Annex A to this Report. The Governance Manager acts as secretary to the Committee.

### **Terms of Reference**

The terms of reference for the Committee require to be reviewed annually. The Committee reviewed these on 16 March 2021 and concluded that no changes were required at that time, with the terms of reference remaining consistent with the provisions of the Scottish Government's audit and assurance committee handbook (published 3 April 2018).

## **Key Areas of Focus for the Committee**

There is a programme of core business for the Committee which has been kept under review by the Governance Manager and is circulated annually to the Committee. This identifies areas of focus for the Committee however other activity is guided by internal audit. The Committee also responds to requests from the Board to have specific oversight of specific matters and in 2020-21 the Committee were asked to monitor the operation of the internal scheme of delegation.

### **Risk Management**

The Committee advises the Board on strategic processes for the management of risk and the setting of risk appetite. During this year the Committee has reviewed the strategic risk register and approved the recommendations from the Executive Team to make changes to the register. Reporting to the Committee on risk management now includes information on the emerging risks identified by the Executive Team during their monthly meetings.

An internal audit of risk management was carried out during the first quarter of 2020-21 and the findings presented to the Committee meeting held on 23 June 2020. The report identified that there is active review process for risk management within Crown Estate Scotland. The internal audit report identified some additional good practice actions, such as aligning risks to strategic objectives, which would enhance the internal controls.

The audit report highlighted some weaknesses in analysing assurance due an absence of the “three lines of defence” model in the register. Actions agreed with management included adding owners and timescales for implementation of mitigating actions to the risk register and the recording of the cause and effect of each risk within the register. There were three “medium” priority and two “low” priority actions which have been implemented within the agreed timeframe.

The internal audit opinion gave the Board reasonable assurance that the controls upon which the organisation relies to manage the identified area are suitable designed, consistently applied and operating effectively.

### **Finance**

The Committee received regular financial reports from the Financial Controller. Due to issues with capacity in the finance team the draft budget for 2021-24 were not available for review during the meeting cycle and were reviewed at an additional meeting held on 10 March 2021 to which all members of the Board were invited. This budget, the first multi-year one for the organisation, was subsequently approved by the Board out of meeting.

The way in which financial information is reported within the 2021-24 budget has been reshaped to present figures against the agreed asset types and by Crown Estate Scotland role (Asset Manager, Enabler, Co-ordinator, Investor).

Delays in expenditure on the rural estate which had been discussed by the Committee during 2019-20, continued to feature in 2020-21 as a result of the impact of the COVID-19 pandemic and the impact of new procurement practices. The retendering of the contracts for the appointment of managing agents was concluded during the year and there are new KPIs which will be actively monitored and managed to ensure that the expenditure is planned, budgeted, and incurred appropriately throughout the year.

As had been advised during 2019-20, two reforecasts were carried out during the year 2020-21 and reported to the Committee.

During the year the Committee continued to receive separate reports on the financial management of the Enabler Role from the Financial Controller. The Board had previously delegated oversight of this funding activity to the Committee. Expenditure was lower than had been anticipated, principally due to the impact of COVID-19 on activity. Retention of monies within this budget area was agreed in order to provide funding to support COVID-19 or green recovery projects however no such projects came forward for approval during the financial year. The Board have agreed that reporting of this expenditure can now be incorporated into the regular financial reporting presented to the Committee.

### **Annual Report and Accounts**

The Committee reviewed drafts of the annual accounts for 2019-20 on behalf of the Board and considered the external auditor's Report. Where appropriate, the Committee challenged the officers and the external auditors on the content of the accounts.

### **External Audit**

The external auditors for Crown Estate Scotland are appointed by the Auditor General. She appointed Grant Thornton UK LLP as the external auditor for Crown Estate Scotland for the four-year period from 2017-18 to 2020-21. As a result of COVID-19, a one-year extension to cover the financial year 2021-22 was announced by the Auditor General.

The external auditors issued an unmodified audit opinion for the financial year ended 31 March 2020. The audit report did contain an emphasis of matter in respect of investment property valuation. As a result of COVID-19, RICS guidance had been amended resulting in all individual property valuations containing a "material uncertainty" clause. The impact of this is that less certainty and a higher degree of caution should be attached to management's valuation than would more regularly be the case. The audit opinion was not modified in respect of this matter.

Grant Thornton did engage the services of a specialist valuer as part of their audit testing over investment property valuations. The review did not find any issues with the valuations standards and guidance applied however the report did recommend that Crown Estate Scotland ensure that instructions to valuer provide a clear framework in which valuations are to be conducted. Management responded by advising that as part of the procurement for valuation services the tenders explicitly stated the accounting and valuation standards to be applied and the details of the assets to be valued.

The other recommendation from the external audit related to financial planning and the impact of COVID-19. The report recommended that Crown Estate Scotland should ensure that there continues to be scrutiny and challenge of investment opportunities to support delivery of the investment strategy while facing potentially significant operational challenges, including the impact of COVID-19.

The responsibilities of the external auditors extend beyond the audit of financial statements and in 2019-20 included three significant wider scope risks – financial management; governance and transparency; and value for money.

In respect of financial management, the review noted that the organisation had taken steps to address the risk of having key person dependencies within the Finance team, including creating

the role of Financial Controller and appointing a Director of Finance & Business Services. The risk identified in relation to governance and transparency led the auditor to review arrangements in place to support compliance with the SPFM, particularly in the absence of an internal audit function. The report noted that Crown Estate Scotland had developed an assurance framework based on the provisions of the SPFM and had undertaken internal control reviews over areas such as contract management, procurement, and health & safety. An internal audit function had been appointed for 2021-22. The report also concluded that Crown Estate Scotland has continued to develop its performance reporting arrangements to provide an objective assessment of performance, including in relation to value for money.

Following completion of the audit, the auditors met with the finance team to identify any lessons which could be learned from the 2019-20 audit process which had had to be completed in a virtual, remote environment and to start planning early for the 2021-20 audit.

### **Internal Audit**

RSM Risk Assurance Services LLP (“RSM”) were appointed as internal auditor with effect from 1 February 2020

Following their appointment, RSM agreed with the Committee that Crown Estate Scotland participating in a Governance Framework promoted by the internal auditors which will look at and assess key governance processes over a three-year period. During 2020-21 three audits were carried out as part of this programme – Board Pack Quality Assessment, Board Observation, and Board Skills Assessment. These added an additional 10 days to the audit programme.

A three-year internal audit plan at its meeting on 28 April 2020 along with an internal audit progress report in relation to the Managing Agents review carried out by the previous internal auditors.

During 2020-21, RSM delivered the following internal audit reports to management and to the Committee:

- Risk management
- Management Agents follow-up
- Board Pack Quality Assessment
- Board Observation
- Board Skills Assessment
- Re-tendering Managing Agents
- Payroll
- H&S Policy Implementation
- IT – Cyber Security

The H&S Policy Implementation report gave only partial assurance, identifying a number of areas where the control framework to guide H&S processes could be improved. These principally related to reporting and have assurance on the oversight of H&S could be given to the Board. Actions to address these findings were undertaken immediately on receipt of the report and the implementation of these continues to be monitored.

The other reports (with the exception of the Board Observation and Board Skills Assessment reports which were advisory) gave either substantial or reasonable assurance.

A draft annual report was presented to the Committee on 16 March 2021 and the final report will be submitted for noting to the Committee's meeting on 8 June 2021. RSM's annual report did not identify any specific issues which they believed should be identified as significant control weaknesses in the annual governance statement.

### **Audit Monitoring**

The Director of Finance & Business Services provides monitoring report to the Committee at every meeting on the completion of actions agreed with management following receipt of both external and internal audit reports.

### **Procurement**

The Committee approved an interim procurement strategy and policy at its meeting on 28 April 2020 and noted the proposals for the structure of a procurement strategy for 2020-23, which remains in development.

At each meeting the Committee receives and reviews a procurement activity update report from the Procurement Manager which contains information on awarded contracts, current activity, and future significant activity.

Following concerns raised during discussion at the Committee and at Board meetings additional control measures were put in place by management during July and August 2020 to ensure that purchase orders were matched to contracts (where available). Monthly reports are now supplied by to the Procurement Manager to allow total expenditure against contracts to be reviewed and any overspends identified. Primary responsibility remains devolved to the contract manager however this additional control should assist in identifying issues, including any additional training requirements.

Training on procurement procedures has been delivered by the Procurement Manager to colleagues across the organisation and to the Managing Agents.

### **Health & Safety (H&S) Management**

The Committee approved a form of dashboard reporting on H&S management and approved a revised H&S Policy Framework. The Committee has received regular reports from the Executive Team on H&S management based on the Plan, Do, Check, Act model and receives an annual report on H&S at the Committee. The annual report on H&S for 2020-21 is attached as Annex B to this report.

### **Other Committee Activities**

The Committee received annual reports on fraud and security; complaints handling; requests made under the Freedom of Information (Scotland) Act 2002 and under data protection legislation. The Committee also received a draft of the governance statement which forms part of the Annual Report and provided comment on that.

During 2020-21, the Board requested that the Committee have oversight of the operation of the internal scheme of delegation and the Committee now has that as a standing item on its agenda.

The Committee reviewed a draft whistleblowing policy at its meeting on 23 June 2020 and requested that a number of changes be made to the drafting. The policy was then substantially re-written, circulated to staff for comment before being put to the recognised trade union for their comment. Those comments are, at the time of this report, still awaited and the policy will be sent to the Committee once they have been received and considered. This is a piece of work

which is overdue, and the Committee would encourage management to expedite the finalisation of the drafting.

### **Self-Assessment**

The Committee review, on an annual basis, a checklist developed from one which forms part of the Scottish Government's Audit and Assurance Handbook. This checklist covers the activity of the Committee and provides a means of ensuring that the Committee is meeting the minimum requirements set out in the Audit and Assurance Handbook.

An effectiveness review was carried out in June and July 2020 and a report provided to the Board, out of meeting, in October 2020. This identified that there were some actions which could be taken in order to improve the performance of the Committee. One of these related to training and the Governance Manager has been asked to ensure that any new members appointed to the Committee are offered appropriate training activities to support them in their role as members of the Committee.

### **Conclusion**

The Committee is satisfied that it has discharged its remit during the year. The appointment of an internal auditor has supported the continued development of an assurance framework and has provided evidence of the internal controls, governance, and risk management processes in place within Crown Estate Scotland to support delivery of the strategic objectives in the Corporate Plan 2020-23.

June 2021



## **Annex A**

**Members:** Robert Mackenzie (Chair)  
Jean Lindsay  
Richard Morris

**Other Attendees:** Simon Hodge, Chief Executive  
Alastair Milloy, Director of Finance & Business Services  
Anna Morgan, Financial Controller  
Helen Howden, Governance Manager (Minutes)

Joanne Brown, Grant Thornton (28 April 2020, 27 October 2020, 26 January 2021, 16 March 2021)  
John P Boyd, Grant Thornton (23 June 2020)  
Claire Connor, Grant Thornton (16 March 2021)  
Sue Brook, RSM Risk Assurance Services LLP (23 June 2020, 27 October 2020, 26 January 2021, 16 March 2021)  
Asam Hussain, RSM Risk Assurance Services LLP (20 February 2020, 27 October 2020, 16 March 2021)  
Marc Mazzucco, RSM Risk Assurance Services LLP (28 April 2020)

**By Invitation:** Esther Black, Director of Corporate Operations (28 April 2020)  
Amanda Bryan, Board Chair (26 January 2021)  
Liz Leonard, Board member (28 April 2020)  
Maurice McTeague, Procurement Manager (28 April 2020, 23 June 2020, 26 January 2021, 16 March 2021)  
Colin Palmer, Director of Marine (28 April 2020, 23 June 2020, 27 October 2020, 26 January 2021)  
Andy Riley, Commercial Manager (28 April 2020, 16 March 2021)  
John Robertson, Head of E&I (26 January 2021)  
Jonathan Shenton, Senior IT Manager (16 March 2021)  
Andrew Wells, Director of Property (23 June 2020, 27 October 2020, 26 January 2021, 16 March 2021)

**Meetings held:** 28 April 2020  
23 June 2020  
27 October 2020  
26 January 2021  
16 March 2021

## Annual Health & Safety Report 2020-21



## Contents

COVID-19 .....	5
2. OUR APPROACH TO HEALTH & SAFETY .....	6
3. PLAN .....	6
1. ....	
3.1. Health & Safety Documentation .....	6
3.2. Changes to Health & Safety Policy Framework .....	7
3.3. SharePoint.....	7
3.4. Managing Agents .....	7
4. DO .....	8
4.1. H&S Leadership Team .....	8
4.2. Agenda Items .....	8
4.3. Risk Register .....	8
4.4. Health & Safety Committee .....	9
4.5. Health & Safety Policies.....	9
4.6. Risk Assessments .....	9
4.7. Health & Safety Coordinators.....	9
4.8. Health & Safety Advisers .....	9
4.9. Let Residential & Commercial Properties.....	10
4.10. Redundant & Void Properties .....	10
4.11. Quatermire 2.....	11
5. CHECK .....	11
5.1. Audit .....	11
5.2. Action Tracker .....	11
5.3. Resumption/Compliance System .....	11
5.4. Accident Statistics .....	13
5.5. Near Misses.....	13
5.6. Absences .....	13
6. ACT.....	14
7. HEALTH & WELLBEING .....	15
8. SUMMARY.....	15
9. ANNEXES.....	16
Annex 1: Summary of Near Misses that have occurred in 2020-21.....	16
Annex 2: Summary of Accidents that have occurred in 2020-21.....	17
Annex 3: Dashboard.....	18
Annex 4 – Report re H&S Audit management actions .....	19

Annex 5 H&S Risk Register ..... 24

Annex 6 – HSP01..... 25

## INTRODUCTION

Excellent Health & Safety (H&S) management continues to be fundamental to the success of the organisation. The Crown Estate Scotland leadership team is committed to ensuring high standards of H&S are maintained across all aspects of the organisation levels to ensure it continues to meet all relevant H&S requirements and continue to improve our approach and management of H&S.

A key focus for this year was complying with COVID-19 restrictions and requirements both in terms of helping our staff work effectively from home and in allowing those staff members who had to work on site, predominantly the workforce at Fochabers and Glenlivet, to do so safely. In addition, a significant amount of work has been undertaken to embed good H&S practice across the business, better define roles and responsibilities, improve H&S policies and management systems and improve reporting and assurance processes.

Our central H&S Committee met quarterly, and a trade union representative is invited to join those meetings. The current member is not a formerly recognised H&S trade union representative as this requires completion of a recognised course which has not yet been undertaken.

H&S is incorporated is covered in detail in our induction process, and is a fixed item on all Audit & Risk Committee, senior management, and staff and managing agent meeting agendas.

Throughout 2020-21 we completed a range of specific activities to further embed a positive H&S culture throughout the business. These activities included:

- Roll out of H&S e-learning courses and mandatory H&S Lunch and Learn sessions held to introduce policy revisions to all staff
- Developing a new H&S assurance reporting framework, to be rolled out in 2021-22
- DSE assessments were re-done by all staff in light of COVID-19 working from home requirements
- COVID-19 risk assessments for emergency estate maintenance work and access to and clearing of old Edinburgh office, including close liaison with our recognised trade union
- H&S manual for new Edinburgh office in Quartermile Two (QM2)
- An internal audit on health and safety administration was conducted that provided useful pointers for further strengthening our approach
- Annual revision of all H&S policies with a new policy relating to the management of the commercial properties developed; and
- Development of a specific H&S risk register – separate from the strategic risk register

There were no RIDDOR reportable staff accidents or incidents in the 12 months to 31 March 2021.

This report provides an overview of how Crown Estate Scotland has approached the management of H&S during the 2020-21 reporting year to ensure adherence to the relevant legislation and to proactively manage hazards and risks associated with Crown Estate Scotland's business activities.

The report includes accident statistics and an overview of the actions taken during the last year.

## 1. COVID-19

This has been a year like no other and has posed unprecedented challenges for the organisation and for the individual staff members.

For the entirety of the last year, the majority of staff have continued to work from home working through Microsoft Teams to remain in contact with their colleagues and work contacts.

The workforce based on the Fochabers Estate worked in a “bubble” reacting to urgent calls rather than carrying out proactive projects throughout the Glenlivet and Fochabers Estates.

The Rangers and Foresters based on the Glenlivet Estate continued working, carrying out inspections and reactive work and responding to the challenges caused by a significant increase in visitors to the area during summer 2020. The visitor centre at the Estate office has remained closed to visitors during this period.

These members of staff worked to a specific COVID-19 Risk Assessment that allowed them to work safely, preventing infection within the team and with any tenants or individuals that they came across.

Crown Estate Scotland staff also worked with Managing Agents teams to ensure protocols were in place for contractors working on estates and working with tenants, for example in the George Street premises.

COVID-19 has placed additional challenges across the whole of the organisation. At the outset of the emergency Crown Estate Scotland invoked its emergency management procedures with the establishment of an Emergency Management Team in accordance with the organisation’s Emergency Response and Business Continuity Plan.

The steps that were taken to safeguard the wellbeing of staff:

- Flexible working arrangements and reduced hours arrangements for staff with caring responsibilities.
- Maintaining a high level of contact with staff who live alone or may have other challenges.
- Facilitating staff social activities via video conferencing.
- Holding regular functional and all staff video conferencing, including sharing about life in lockdown.
- Provision of additional equipment to improve homeworking conditions where appropriate.
- Provision of information about the Crown Estate Scotland Employee Assistance Programme.
- Provision of clear reassurance about job protection, pay and adjustment to performance

targets in the light of COVID-19 impacts.

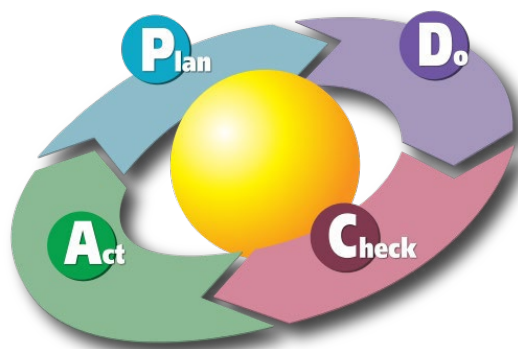
- Launch of new staff support programme - “Wellbeing Matters” and sessions on resilience and the services offered by our Employee Assistance provider.
- Online training through the iHASCO platform on “Effective Home Working” was rolled out to assist the business and individuals.

## 2. OUR APPROACH TO HEALTH & SAFETY

In line with the reporting process agreed with the Board, this paper provides an update regarding the management of H&S across Crown Estate Scotland in the year to 31 March 2021.

This paper reports on each of the components of Crown Estate Scotland’s H&S Policy Framework – **PLAN, DO, CHECK, ACT** (PDCA).

This is a universally recognised approach to managing H&S and one recommended by the HSE in their guidance “**HSG65 – Managing Health & Safety**”.



## 3. PLAN

### 3.1. Health & Safety Documentation

In the last year, the H&S policies were being utilised across the organisations with the annual review taking place in January for reissue in the new operational year starting on 1 April 2021.

Each policy has been assigned an owner thus making them responsible for ensuring it is being implemented appropriately.

The following is a full list of our H&S policies and their owner:

Number	Title	Owner
HSP01	Health and Safety Policy Framework	Chief Executive
HSP02	Management of Common Risks	Director of Finance and Business Services
HSP04	Management of Commercial Portfolio	Rural Asset Manager
HSP05	Electrical Safety and Gas Safety	Rural Asset Manager
HSP06	Asbestos Management	Rural Asset Manager
HSP07	Managed Properties in the Rural Portfolio	Rural Asset Manager
HSP08	Managed Properties in the Coastal Portfolio	Coastal Asset Manager
HSP09	Plant Equipment and Heavy Operations	Fochabers Maintenance Team Supervisor
HSP11	Occupational Health and Wellbeing	Snr HR Manager

HSP13	Forestry Operations	Forestry Manager
HSP14	Tree safety	Forestry Manager
HSP15	Management of Glenlivet Estate Visitor Infrastructure	Countryside Manager/Ranger
HSP16	Managed Properties in the Mineral Portfolio	Rural Asset Manager
HSP17	COSHH	Countryside Manager/Ranger

HSPs 04, 15 and 17 are new policies added this year. Whilst policies are subject to annual review, they can be changed at any time if an issue is identified that requires an amendment, addition or removal.

A new summary document has been prepared relating to the new offices at QM2

Generic risk assessments used by the workforce at Fochabers and Glenlivet have been reviewed as part of the annual review process.

Risk assessments for the Edinburgh based staff have also been reviewed.

### **3.2. Changes to Health & Safety Policy Framework**

As with the other policies, HSP01 was updated during the year to further clarify roles and responsibilities across the organisation, to update the terms of reference of the H&S Committee, to clarify the change of managing agents (including details of their responsibilities as set out in the new contracts) and to confirm reporting arrangements (see Annex 6).

### **3.3. SharePoint**

SharePoint has been developed with a separate folder for all of the HSPs, Risk Assessments, Compliance Records, and other H&S documents. The main HSP's and Risk assessments can also be accessed through the staff intranet.

### **3.4. Managing Agents**

A major change this year is the appointment of new Managing Agents. With effect from 1 April 2021 they will be responsible for H&S within the assets they manage and as outlined in the relevant HSPs.

Each contract with a managing agent sets out our requirements for the management of H&S based on the policies in place including HSP01, which states:

*The Managing Agents are required to comply at all times with the terms of this policy framework in delivering the Services under this Contract.*

*The Managing Agents are required to comply at all times with the terms of each of the Health and Safety Policies and specific Health and Safety requirements as set out in Part 8 of the Schedule in delivering the Services under this Contract.*

Within their fixed fee for Core Services, Managing Agents undertake to:



- Carry out periodic property inspections to ensure compliance with lease terms and identify issues and opportunities (including Void, Vacant and Redundant premises).
- Identifying, arranging, managing, and supervising landlords statutory and contractual property repairs and maintenance obligations, maintaining estate infrastructure including private roads and private water supplies, enforcing tenants repairing obligations, serving statutory notices as required.

Within the new contracts, a series of Service standards and Key Performance Indicators (KPI's) have been agreed and will be used to monitor and evaluate service delivery by the Managing Agents.

For example, under Property Repairs & Maintenance KPI, the Managing Agents have to submit a monthly compliance H&S report with Red, Amber Green (RAG) & % completion.

Under the Balanced Scorecard, Managing Agents have to provide monthly reporting with detailed schedule / dashboard showing inspections undertaken, compliance against requirements (target 95% compliance with non-statutory, 100% compliance with statutory requirements). These inspections include: - gas safety, electrical safety, carbon monoxide, smoke detection, heat detection, oil boilers, solid fuel appliances, chimney sweeping, asbestos, private water supplies, property/grounds inspection, bridges, in-hand sites and tree safety.

## 4. DO

### 4.1. H&S Leadership Team

The Leadership team which comprises of the CEO, Director of Property, Director of Finance and Business Services, Countryside Business Assessment and Business Support Manager has met formally two-times during the year via Teams.

The Leadership team have identified, monitored and reviewed progress with a wide range of actions relating to the management of H&S within Crown Estate Scotland business including the development of the resumption system, the review of H&S policies, the risk register, H&S assurance, the audit and preparation of reports and papers to the ARC.

### 4.2. Agenda Items

H&S is on the agenda in every all-staff meeting, all management meetings, Executive Team meetings and Audit and Risk Committee (ARC). A H&S Dashboard is produced for each ARC meeting and ARC provide updates and reports to Board as part of ARC reporting.

### 4.3. Risk Register

A revised H&S Risk Register was developed during the year which includes the key hazards which have been identified across the Crown Estate Scotland business.

This is now monitored by the H&S Leadership Team and the H&S Committee.

A copy of the register is included in Annex 5. Actions on the register will be recorded in the new Actions Tracker and are also monitored through the monthly H&S Assurance report (see section

6.2 below).

#### **4.4. Health & Safety Committee**

The H&S Committee continued to meet quarterly via Teams App and continued to focus on operational management according to a standing agenda based on the HSE PDCA H&S checklist.

Minutes are made available to staff and updates provided at regular staff meetings.

#### **4.5. Health & Safety Policies**

These have been updated (see above) and have been placed on SharePoint for all staff and managing agents to access and designed to create a highly accessible and user-friendly portal. Training sessions have been held to advise staff where to access them and this is also included in the new staff induction checklist.

#### **4.6. Risk Assessments**

Site specific risk assessment procedures are well established for the Glenlivet and Fochabers teams, including for in-hand land and building management activity. This is through the use of a mobile phone app that records the risk assessment to the Cloud and is available for instant access by anyone with the appropriate access.

Risk assessments have been reviewed and further developed for the office-based staff including Display Screen Equipment, Lone Working and Driving for Work.

Generic risk assessments for common work tasks have been reviewed in line with the annual review requirements.

#### **4.7. Health & Safety Coordinators**

The Countryside Business Assistant and the Business Support Manager act as H&S coordinators at Glenlivet (including Fochabers) and QM2 respectively and have the following duties:

- Collection of accident & near miss reports
- Weekly checks of the CES Resumption Tracker to ensure H&S Compliance is up to date and escalating any issues that are outstanding and have not been completed.
- Attend quarterly Central Committee H&S meetings noting the minutes and actions.
- Liaise with H&S Leadership Team
- Liaise with H&S Consultant
- Ensuring CES H&S policies are updated and signed off then circulated and made accessible to all staff.
- Along with Line Managers and HR ensure H&S training courses over and above the e-learning are carried out and up to date.

#### **4.8. Health & Safety Advisers**

Green's of Haddington Ltd continue to provide support and advice to the organisation. They sit on the Health & Safety Committee, undertake regular reviews with the Maintenance Supervisor at Fochabers and the H&S Coordinators at Glenlivet Estate Office and Edinburgh Offices. They

also provide advice to managing agents in relation to specific Scottish Crown Estate assets as required.

They were involved in the development of the COVID-19 Risk Assessments for the workforce and the countryside staff based at Glenlivet.

They also delivered “Lunch & Learn” sessions to all staff in relation to the updated HSPs and the location of the documentation on the updated SharePoint facility.

## **Property H&S Management**

### **4.9. Let Residential & Commercial Properties**

The Rural Asset Manager continues to work with the Managing Agents in ensuring that all the H&S compliance issues are being managed properly.

Monthly reports continue to be received from the Managing Agents which are monitored to ensure inspections are being undertaken as required and Crown Estate Scotland is compliant with all Landlord statutory requirements in relation to let and vacant property. Details of the status of the report are now included in the H&S Dashboard that goes to each ARC meeting.

### **4.10. Redundant & Void Properties**

The Rural Asset Manager continues to work with the Managing Agents in relation to the management of redundant and void properties.

A separate paper was put to the Audit & Risk Committee in June 2020 outlining the issues and proposing an action plan to manage these buildings via the Managing Agent.

An **Action Plan** was proposed with measures to protect third parties from the possible dangers that may exist on a property could include:

- Erecting 'Beware' or 'Danger' signs to bring their attention to any perceived risk
- Fencing off possible hazards (and maintaining such fencing)
- Blocking access (doors or windows) to buildings
- Regularly checking the condition of the premises and remedying any defects as soon as possible.
- Undertaking repair or stabilisation works
- Demolishing the property

As of the end of March 2021, some of this work has been undertaken and other remedial work has been arranged. Completion of this work has been affected by the changeover in Managing Agents, and some COVID-19 related impacts/delays. This is now being picked up with the new managing agents as a priority.

## **Tree safety**

Managing Agents (Savills) completed the Tree Safety Inspection Zoning, mapping and tender specification and procurement. Contractors have been instructed across the rural estates and the new MA, Strutt & Parker will see this and any remedial work through to completion.

Contractors have to complete inspections by end August 2021.

#### **4.11. Quartermile 2**

The planned move from Bell's Brae took place in December 2020 but due to COVID-19, the new offices have not yet been occupied.

Arrangements have been made ensure that the building and services are compliant and ready for use before entry including Fire Risk Assessment, Fire extinguishers etc.

A specific COVID-19 Risk Assessment will be completed for staff returning to the office and for any other Face to Face meeting before that time.

Arrangements are currently in place for staff to tour the buildings as government restrictions ease.

## **5. CHECK**

### **5.1. Audit**

An audit was carried out in this year by Crown Estate Scotland's internal auditors, RSM Risk Assurance Services LLP (RSM), to provide assurance over the controls which Crown Estate Scotland has in place over the implementation of H&S policies. Several management actions were identified by the audit. These related to the process for the review of H&S policies; certain omissions that were identified in policies; the process for recording and monitoring H&S actions across Crown Estate Scotland's business; the position in relation to requirements for the management of private water supplies; the provisions for monitoring H&S management undertaken by agents (in the previous management contracts) and the assurance processes in place for reporting to ARC. At time of writing the actions identified have almost all been completed (see table Annex 4).

### **5.2. Action Tracker**

One of the findings of RSM's audit identified that Crown Estate Scotland does not have a central log for recording monitoring and reporting H&S actions within its governance structures.

In response to this an Action Tracker for all actions emerging from the H&S Committee, H&S Leadership Team meetings, Executive Team meetings, Board and Committee meetings as well as operational asset management/managing agent meetings is being created in MS Teams.

A process is in development to ensure actions are entered on the tracker and are monitored by the Executive Team and the H&S Committee.

### **5.3. Resumption/Compliance System**

A resumption/compliance system has also been produced and reviewed in the audit process. This aims to ensure that where a requirement for an ongoing action which is identified as a requirement within a H&S policy or procedure or as part of statutory compliance, that this is recorded and monitored to ensure the action is undertaken/completed according to the timescale required. An example of this is the review date for all H&S policies which has now been moved to February each year. Other examples include the requirement for MOT testing of

estate vehicles, machinery inspections and annual training refreshers (see below).

A spreadsheet has been constructed that allows for compliance to be checked and monitored on a weekly basis by the Health & Safety Coordinator (Fochabers & Glenlivet) and the Business Support Manager (Edinburgh Offices).

Headings include:

- Fire Alarm, Fire Door & Emergency Lighting checks
- Fire Extinguisher checks & Fire Drill
- Fire Risk Assessment Check
- Vehicle & Machinery Maintenance
- First Aid Equipment inspections
- Countryside Site Inspections
- PPE Checklists
- COSHH compliance
- CDM documentation
- Method Statements
- Permit to Work - Digging
- General Risk Assessment Checks
- Specific Risk Assessments
- Glenlivet Gas Boiler Inspection
- HAVS
- PAT Testing
- 5-year Fixed Wiring
- Visual Checks of Hand Tools
- Ladder Inspection
- Legionella Checks
- Driving Licence Checks
- Annual Staff Occupational Health Monitoring (Maintenance Workforce)
- Roadside Tree Inspection
- Adventure Playground Checks
- Annual MTB Trail Inspection by Outside Contractor
- Walked Trail Management Inspections
- Bridge Inspections
- QQ Reports for Drumin, Lecht Mine, Fodderletter Lum, Blairfindy Castle
- Staff Training

Each of these headings has a link back to the relevant paperwork.

The headings are also linked to the relevant owner's diaries to remind them to carry out the checks, to record it and file the correct paperwork.

This resumption/compliance system is to be further developed in 2021/22 and the IHASCO system is being investigated to understand if this can provide a platform for supporting this in the future.

#### 5.4. Accident Statistics

In the year 2020-21 there were only 2 minor accidents that were recorded: both to staff (see Annex 2).

All the accidents were minor, not reportable under RIDDOR and none required any time off work. There was a reduction in total accidents from the previous year but given the circumstances associated with staff working under lockdown conditions this is not un-expected and is not an indication of any trends.

#### 5.5. Near Misses

There were also only 2 recorded nears misses. The most serious incident related to the digger at Fochabers coming into contact with a buried 240V electricity cable. The cable was not live at the time and was not properly marked but all relevant procedures had been followed prior to the incident. This incident was subject to a separate report submitted to the Audit & Risk Committee and Board and a series of follow up actions were identified and implemented. While safe working practices had been adopted the incident prompted a review of the risk assessment for this type of work and additional training and awareness of procedures was undertaken by the excavator driver.

The other incident was reported through the Managing Agent of a fire at a let farm at Applegirth. The cause being a stack of straw in a tenant-owned shed that had spontaneously heated up and caught fire. Nobody was injured but there is extensive damage to one of the tenant buildings which is covered by the tenant's insurance and some damage to the farmhouse.

The damage to the farmhouse includes 4 windows and a door needing replacement and smoke damage to the external render requiring power-washing and painting.

Further information including a copy of the H&S Dashboard and a summary of the accidents are in Annexes 1-3.

Quarterly accident statistics are passed to the Audit & Risk Committee for their information.

#### 5.6. Absences

The following is a summary of the sickness absence for the last year.

Quarter	Duration (Days)
1	4
2	10.5
3	14
4	21
<b>Total</b>	<b>49.5</b>

Of the 63.5 days absence last year only 6 were due to suspected or actual COVID related. Given that the none of the staff that had to work out of their home were affected, this helps illustrate that the measures put in place were adequate.

Given the significant changes in work practices, the stresses of being confined to the house and without the physical company for some people, the level of workplace stress appears has been varied with some individuals being more affected than others. Several actions have been put in place to help mitigate against high stress levels resulting from the change to working practices as a consequence, which are identified in section 1 above. The increase in Q4 relates to isolated cases of longer-term sickness absence rather than a trend.

A more detailed breakdown of the days can be seen on the dashboard at Annex 3

All incidents and near-miss reports have been followed up with the H&S Consultant and relevant managers and action taken where required to mitigate against similar incidents re-occurring. All incidents are reviewed by the H&S Committee and the Executive Team and included in reports to the ARC and to Board. Learning from incidents has been included as part of staff meetings.

The external audit process identified some issues see in “**CHECK**” Section, but these were addressed shortly after being highlighted.

Annual review of the HSP’s and the risk assessments took place with HSP’s being allocated with “owners” who are responsible for ensuring policies are implemented and that relevant updates to the policies are included as part of the annual review.

## 6. ACT

E-learning continues to be offered through a company called iHASCO.

Training and induction records have been linked with the HR systems to ensure that no new members of staff can be missed from proper induction process including completion of the mandatory training delivered through the iHASCO on-line training platform.

The following training courses were attended completed in the year to March 2021.

H&S Course	Completed
Abrasive Wheels Safety	3
Asbestos Awareness	3
Banksman Essentials	3
COSHH	3
Display Screen Equipment	46
Effective Remote Working	49
Fire Awareness	3
Hand/Arm Vibration Awareness	2
Health and Safety Essentials	46
Legionella Awareness	4

Manual Handling	5
Noise Awareness	3

In addition, two “Lunch & Learn” sessions were delivered by the H&S Consultant were delivered to all staff via TEAMS on basic health & safety responsibilities, risk assessment and the updated HSPs.

## 7. HEALTH & WELLBEING

‘Wellbeing Matters’ is our health and wellbeing programme. It focuses on four important pillars of wellbeing - physical, emotional, social and financial – and encourages us to pay proactive attention to each of these areas of our lives, rather than waiting until any of them are in crisis.

At the core of ‘Wellbeing Matters’ will be a calendar of events and content relating to the four pillars of wellbeing, with seasonal focus one particular pillar.

## 8. SUMMARY

The coronavirus pandemic is an event that shook the entire country and there was hardly any aspect of work that was unaffected.

H&S performance increased with a much lower frequency of accident or near miss reported, likely due to that fact that people were working from home and not venturing out.

It will be a challenge for all managers, supervisors and staff to ensure that as people do return to more normal patterns of work, that this level of performance is maintained.

Overall, significant improvements have been made to the H&S management systems in place including assurance reporting, compliance monitoring, definition of roles and responsibilities and risk management during the year and the culture towards H&S. This has been recognised from staff surveys and feedback. This work will continue in 2021/22 with a particular focus on working with the new managing agents regarding property management and further embedding the systems processes and policies developed during this year.



## 9. ANNEXES

### Annex 1: Summary of Near Misses that have occurred in 2020-21

Incident Q1	Action Taken
Incident Q2	Action Taken
Farm Tenant reported that a bale stack in a shed had caught fire thought to be as a result of spontaneous combustion.	Inspection undertaken to confirm that there was no structural damage to farmhouse. Replacing windows & door. Painting gable end at a date to suit the tenant. MA discussed with tenant, they are aware of the risks and will try to take more preventative action but it is a situation which is known to occur on farms.
Incident Q3	Action Taken
Digger struck a buried low voltage electricity cable. No power was running through it and the location was not picked up by the cable detector	<p>A full investigation was carried out and a separate report sent to ARC.</p> <p>The following is a summary of the suggested Action Points which have been adopted.</p> <p>Immediately</p> <ul style="list-style-type: none"> <li>• CES Workforce should be required to check any existing plans during the planning phase of any work around buildings (particularly relatively new ones) to see if cable routes are identified.</li> <li>• Working practices should be adjusted to ensure that repeated scans are made as the ground is excavated particularly if using the CAT without the Genny.</li> <li>• The appropriate HSP should be updated to that effect</li> <li>• Additional training in the use of the Risk Assessment app should be undertaken for the Workforce to ensure that an adequate level of detail is included</li> </ul> <p>Moving forward</p> <ul style="list-style-type: none"> <li>• Ensure that contractors engaged in work that will involve cable burial have an adequate specification spelt out on the burial of services including minimum depth, use of different coloured sand and warning tape. This should be done via the Managing Agents.</li> <li>• Contractors should accurately map the route of cables on any site plans and these</li> </ul>

		should be passed to the CES GIS team so that accurate records can be developed.	
Incident Q4	To Whom	Location	Action Taken

## **Annex 2: Summary of Accidents that have occurred in 2020-21**

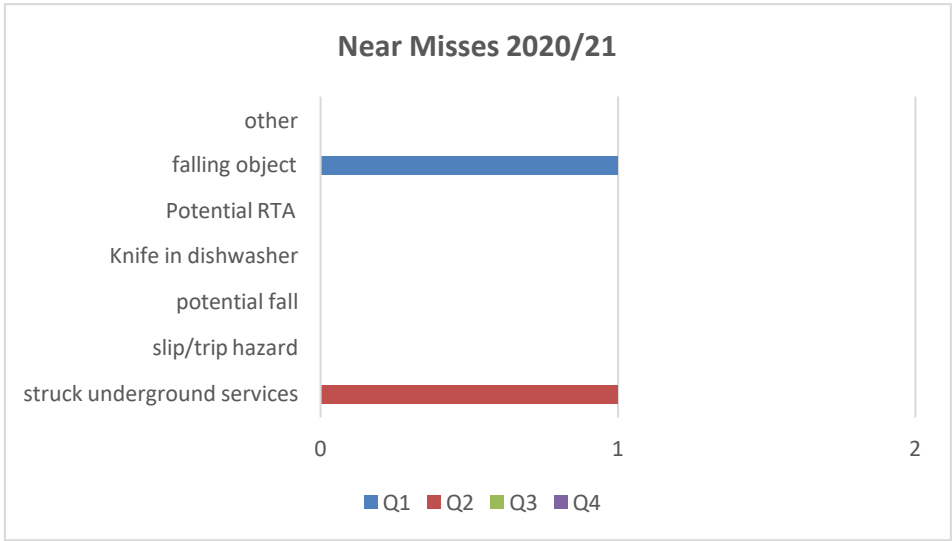
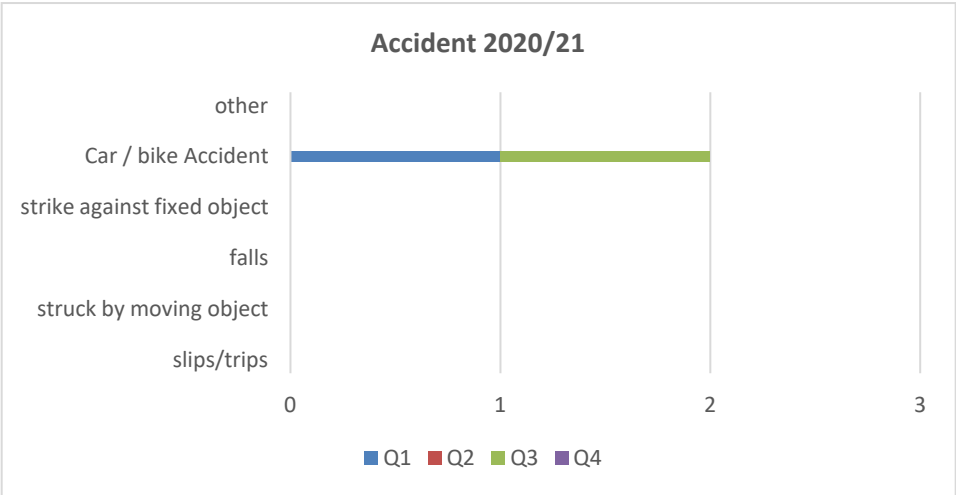
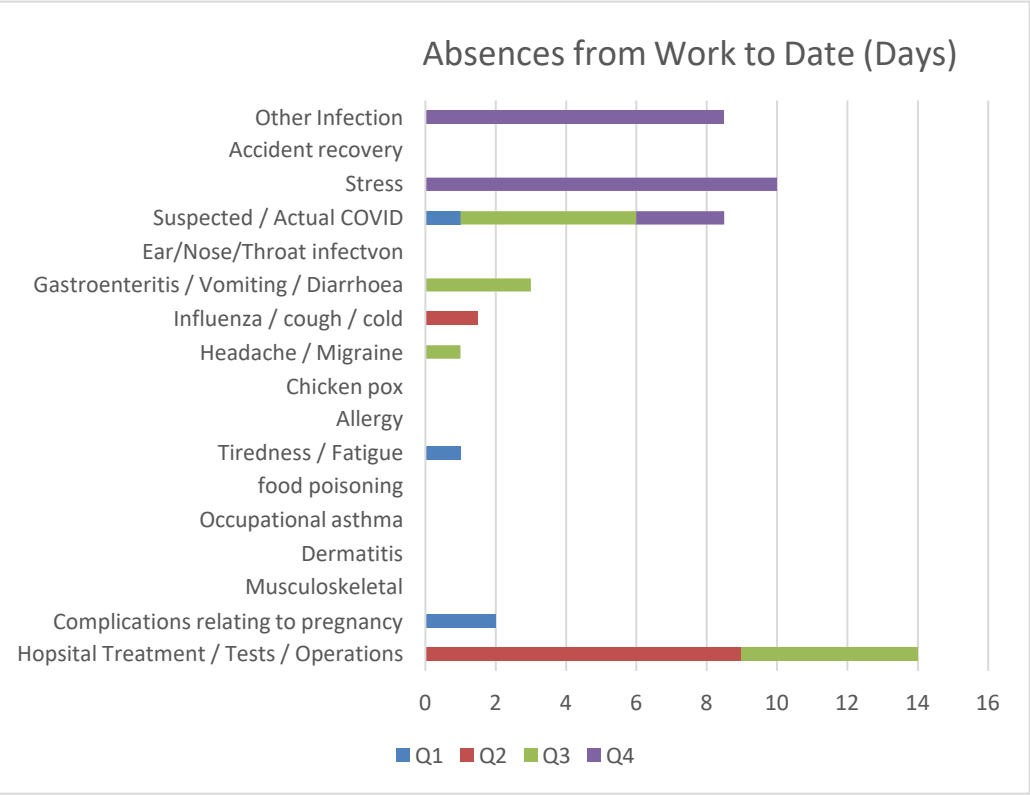
Accident Q1	To Whom	Location	Action Taken
Road Traffic Accident - Deer jumped across road, CES vehicle struck it. No Injury	Staff	Glenlivet	Risk assessment updated following the accident to remind staff of the hazards associated with driving in the countryside.  Toolbox talk on updated risk assessment and its contents

Accident Q2	To Whom	Location	Action Taken

Accident Q3	To Whom	Location	Action Taken
Road Traffic Accident - Heading for a First Aid course there was a 2-car crash in front of CES vehicle and something came off one of the cars and hit and cracked the van windscreen. No injuries sustained; windscreen cracked on the passenger side.	Staff	Fochabers	Circumstances of the accident were discussed within the workforce.  No further action was deemed necessary as the staff member was driving with due care and attention and with sufficient and safe space between vehicles.

Accident Q4	To Whom	Location	Action Taken

**Annex 3: Dashboard**



#### Annex 4 – Report re H&S Audit management actions

Actions		Responsible Owner	Date	Priority	Comments	Progress
<b>Management Action 1</b>	To ensure the review process is streamlined, the Executive Management Team have agreed on a review date of February for all health and safety policies.	Karen Smith – Countryside Business Assistant Overseen and supported by the Director of Property and the Governance Manager	28 February 2022	Low	Policies have all been reviewed with a new review date set at 28 February to bring them all in line instead of being staggered.	Complete
<b>Management Action 2</b>	Guidance on driving at work will be revised to incorporate a link to the Health and Safety Executive. <a href="https://www.hse.gov.uk/pubns/indg382.pdf">https://www.hse.gov.uk/pubns/indg382.pdf</a>	Andrew Wells – Director of Property	Management have advised this has now been implemented.	Low	HSP02 has been updated with this information	Complete
<b>Management Action 3</b>	The HSP 17 Control of Substances Hazardous to Health policy will be revised to ensure clear guidance is given on how to transport dangerous goods.	Andrew Wells – Director of Property	Management have advised this has now been implemented.	Low	HSP17 has been updated with this information and signed off	Complete
<b>Management Action 4</b>	Contracts for the new managing agents are currently being agreed. As part of this process a defined set of health and safety KPI's will be agreed and a monitoring schedule outlined.	Andrew Wells – Director of Property	30 June 2021	Medium	Defined set of KSP's in place, new monthly reporting on progress. Trying to streamline whole process with Propman	Complete / monitoring ongoing
<b>Management Action 5</b>	Performance against targets will be monitored by management and with quarterly updates presented to the Health and Safety Committee.	Chris Cassels – Senior Asset Manager Overseen by Andrew Wells - Director of Property	31 March 2022	Medium	Monthly assurance report to Simon Hodge. Performance monitoring for MA's has been added to the H&S Central Committee Meeting Agenda. Existing reports by MA's will be reviewed under that agenda item	Complete/ monitoring ongoing

<b>Management Action 6</b>	Management will review the recording of actions and where possible these will be collated in a central log for monitoring and reporting purposes within the governance structures at CES. This log will be presented for review to every meeting of the Central Health and Safety Committee.	Chris Cassels – Senior Asset Manager overseen Andrew Wells - Director of Property	31 May 2021	Medium	Action Tracker to be set up in Teams. AW to take to H&S Leadership team meeting on 26th May for sign off Will be adding a centralised access system	Completed
<b>Management Action 7</b>	The monthly compliance report received from the managing agents will be reviewed for accuracy and once water inspection dates have been verified up to date records will be held to ensure checks are accurately reflected.	Chris Cassels – Senior Asset Manager overseen Andrew Wells - Director of Property	30 April 2021	High	Work in progress with new MA's, currently checking inspections dates are correct. Process is in place for monthly monitoring through the MA H&S report /ET assurance reporting	Complete

<b>Management Action 8a</b>	<p>Depending on the results of the review of the water inspections CES will seek legal advice in relation to the Private Water Supply legislation. This is to ascertain whether there is any legal exposure to CES for properties they are ultimately accountable for, including properties where there is shared responsibility.</p>	<p>Chris Cassels – Senior Asset Manager overseen Andrew Wells - Director of Property</p>	<p>31 May 2021</p>	<p>High</p>	<p>Legal advice has been sought – see below.</p> <p><i>Most of the supplies are listed as those falling under the Water Intended for Human Consumption (Private Supplies) Regulations 2017 (larger Type A supplies) with a few falling under the 2006 regulations (smaller Type B supplies). However, under the 2017 regulations, any let property, which includes a house, served by a private water supply is deemed “commercial” and therefore falls under the 2017 regulations, no matter the size of the supply. As such it is likely that Moray Council will need to add a few supplies to their list of those requiring risk assessments given the let nature of your estates.</i></p> <p><i>The 2017 regulations primarily impose obligations on local authorities e.g. a duty to keep a register of private water supplies, to carry out risk assessments on private water supplies every 5 years, to carry out regular monitoring of the quality of water to ensure that the supply meets water quality standards, to serve remediation/enforcement notices where required, etc.</i></p> <p><b>CES obligations</b></p> <p><i>The 2017 regulations set out the following obligations on Relevant Persons. Crown Estate Scotland would be a Relevant Person as landlord and/or owner of the source of the private water supplies. As such you have the following main obligations:</i></p> <ol style="list-style-type: none"> <li><i>1. Duty to inform the Local Authority of any unregistered water supplies (unlikely to be relevant here given the level of interaction between Savills/Moray Council);</i></li> <li><i>2. A duty of care not to take any action which has the effect of allowing any deterioration in the quality of the water (in so far as relevant for the protection of human health). This duty would also apply to your tenants.</i></li> <li><i>3. A duty to comply with any remediation notice/enforcement notice relative to the supply served by the Local Authority.</i></li> </ol> <p><b>CES exposure</b></p> <p><i>It appears that much of your exposure is linked to the fact that the Council have not carried out the relevant risk assessments/monitoring so as to make you aware of any potential problems with the supplies.</i></p>	
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				<p>However, where there is a breach of the above obligations, it is a defence to show that a person took all reasonable steps and exercised all due diligence to avoid committing the offence. This is especially relevant for CES as I expect many of the private water supplies will have many users (some non Crown) and there may be instances where the source does not arise on Crown land making some works difficult to co-ordinate/implement.</p> <p><b>Potential Risks</b></p> <p>1. Sold properties: Any properties you have sold with private water supplies that are still partially on your land will have contained a provision that CES are giving no guarantee as to the quality or quantity of the supply so there would be no liability here. The titles would also impose an obligation on the owner for contributing to the costs of maintaining the supply and these owners would also be Relevant Persons under the 2017 Regulations.</p> <p>2. Residential Tenancies: all residential tenancies must comply with the Tolerable Standard which includes an obligation for an adequate piped supply of wholesome water. There are likely to be some supplies where we just do not know if that is the case given the length of time since they were last tested and liaising with the Moray Council to prioritise testing of these supplies would be recommended.</p> <p>3. Personal Injury: there is an inherent risk in using private water supplies which users accept and the point of the 2017 regulations is to ensure that that risk is minimised as much as possible, so compliance protects you. However, if e.g. a tenant did not know they were connected to a private water supply and become ill then they could raise an action of personal injury against you. I expect that this is a remote risk and that all tenants have been informed if they are on a private supply.</p> <p>At this stage I think it would be difficult for the Local Authority to show that CES are in breach of their obligations under the regulations but having clear policies and recording of actions will be important as it may well be required as evidence of this in the future.</p>	
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<b>Management Action 8b</b>	Water supply testing has resumed towards the end of summer 2020. However, with a substantial list of tests to catch up with (across the entire Moray Council catchment) Moray Council have been reviewing on a priority basis and some tests have continued to be delayed. CES have worked with Moray Council to prioritise testing to supplies where this is required urgently, such as Craggan Farm.	Chris Cassels – Senior Asset Manager overseen Andrew Wells - Director of Property	31 August 2021		S&P are continuing to work closely with Moray Council on this.	Ongoing
<b>Management Action 9</b>	The Draft ToR for the Central Health and Safety Committee will be reviewed, and a final document issued. A procedure will be drawn up to advise when/ if members who repeatedly fail to attend meetings should be removed.	Helen Howden – Governance Manager.	31 May 2021	Low	Included in HSP01	Complete
<b>Management Action 10</b>	a) The annual declaration which drivers are required to complete, and sign will be amended to ensure drivers are signing to confirm they have read and understood the HSP02 and where applicable HSP17. b) The HSP02 Policy will be amended to reflect that drivers will sign an understanding on their annual declaration rather than each risk assessment.	Alastair Milloy - Director of Finance and Business Services	31 August 2021	Low	a) Reviewing form in order to amend and update b) Wording updated in HSP02 to reflect this	Ongoing
<b>Management Action 11</b>	The ARC under their ToR have the responsibility for ensuring compliance with health and safety legislation. The dashboards currently presented to the ARC will be amended to include compliance; in particular, the dashboard should show percentage of compliance checks performed against target. The ARC minutes will clearly detail if assurances have been received over compliance as this is the update provided to the Board.	Andrew Wells - Director of Property	30 June 2021	Medium	Meeting scheduled with Chris Cassels and Andrew Green 25th May to finalise the details to be included in Dashboard. Further to this will confirm the details with EB and HH ET Assurance Report to be integrated into ARC Dashboard	Complete



Annex 5

HEALTH, SAFETY AND WELLBEING RISK ANALYSIS

Extract from CES risk register

	Principal category, risk appetite & link to corporate objectives	Risk definition	Risk owner	Likelihood	Impact	Risk rating	Control strategy	Residual likelihood	Residual impact	Residual risk rating	Further mitigation in light of risk appetite (terminate, treat, transfer, tolerate)	Change since last revision
1	People  Cautious  Skills & knowledge	If H&S management is deficient, then there could be a serious accident on the Scottish Crown Estate.	SH	3	5	15	<u>Ops</u> <ul style="list-style-type: none"><li>Full set of H&amp;S management policies in place with review dates.</li><li>Operational resumption system in place.</li><li>Risk assessment and inspection processes in place for staff activity, public facilities and other property and infrastructure.</li><li>E-learning modules completed by all staff.</li><li>H&amp;S part of new staff induction procedures.</li><li>H&amp;S responsibilities defined in new lease agreements.</li><li>H&amp;S duties defined in managing agent retender.</li><li>Covid Policy / Risk assessments kept under review during Pandemic.</li></ul> <u>Monitor</u> <ul style="list-style-type: none"><li>Risk management policy and register regularly reviewed by ARC and agreed by Board.</li><li>Director H&amp;S duties incorporated into and monitored through Assurance Framework.</li><li>H&amp;S Committee maintaining cross business oversight to improve H&amp;S culture and monitor operational hazards.</li><li>H&amp;S reviewed at monthly ET meetings.</li><li>H&amp;S reporting requirements defined in managing agents retender.</li><li>ARC review of excavator/power cable incident.</li></ul> <u>External oversight</u> <ul style="list-style-type: none"><li>H&amp;S external consultant provides advice and investigates incidents.</li><li>Audit of H&amp;S policies part of Internal Audit schedule.</li><li>Assurance provided on management of void buildings.</li></ul>	2	5	10	<u>Treat</u> <u>Ops</u> <ul style="list-style-type: none"><li>Confirm H&amp;S responsibilities for tenants with historic agreements.</li><li>Implement additional safety measures at Portgordon Harbour.</li></ul> <u>External oversight</u> <ul style="list-style-type: none"><li>Internal Audit H&amp;S policies against newly formed audit schedules.</li></ul>	↔

## Specific health and safety risks

	Principal category	Risk definition	Risk owner	Likelihood	Impact	Risk rating	Control strategy	Residual likelihood	Residual impact	Residual risk rating	Further mitigation in light of risk appetite (terminate, treat, transfer, tolerate)	Change since last revision
1a	People	Covid 19 impacts on staff due to disease transmission or lockdown fatigue.	SH	5	5	25	<u>Ops</u> <ul style="list-style-type: none"> <li>Homeworking established and facilitated.</li> <li>Covid Policy / Risk assessments kept under review during Pandemic.</li> <li>Wellbeing Matters programme introduced and EAP signposted.</li> <li>Paid leave made available to support those with childcare commitments during school lockdowns.</li> <li>Remote working and DSE training modules introduced.</li> <li>Establish refreshed opportunities for staff to interact outside usual teams and engage in social activity.</li> </ul> <u>Monitor</u> <ul style="list-style-type: none"> <li>Regular reporting to Board.</li> <li>Monitored by People Committee.</li> </ul>	2	3	6	Tolerate	
1b	People	Lone worker incident results in injury or impact on staff member.	AW	3	5	15	<u>Ops</u> <ul style="list-style-type: none"> <li>Provision of guidance on lone working (in HSP02) and adoption of management procedures.</li> <li>Use of spot trackers for field staff as appropriate.</li> <li>Established missing person procedures in Emergency Response Plan.</li> <li>Lone working notification procedures in place at Glenlivet and Fochabers.</li> </ul> <u>Monitor</u> <ul style="list-style-type: none"> <li>Regular H&amp;S reporting to ARC.</li> </ul> <u>External oversight</u> <ul style="list-style-type: none"> <li>Audit of HSPs included within Internal Audit programme.</li> </ul>	2	3	6	<b>Treat</b> <u>Ops</u> <ul style="list-style-type: none"> <li>Undertake a training scenario during 2021 (AW 12/21).</li> </ul>	
1c	People	Chainsaw or tree-related accident	AW	3	5	15	<u>Ops</u> <ul style="list-style-type: none"> <li>Minimise staff use of chainsaws and minimise contracted motor-manual approach in favour of machine-based approaches.</li> <li>Ensure chainsaw users have all necessary training and PPE.</li> <li>Provide guidance on Forestry Operations (HSP13), Tree Safety (HSP14) and chainsaw use (in HSP09).</li> <li>Implement risk assessment and monitoring processes.</li> </ul> <u>Monitor</u> <ul style="list-style-type: none"> <li>ARC review of any tree-related accidents or incidents.</li> </ul>	2	4	8	<b>Treat</b> <u>Ops</u> <ul style="list-style-type: none"> <li>Identify opportunities to further reduce or eliminate chainsaw use by staff (AW 08/21).</li> </ul>	
1d	People	Injury or trauma from road traffic accident	AM	3	5	15	<u>Ops</u> <ul style="list-style-type: none"> <li>Reduce the amount of driving at work by promoting public transport options and digital working.</li> <li>Provide guidance on driving at work and in winter. (HSP2Management of Common Risks).</li> <li>Implement risk assessment process.</li> </ul> <u>Monitor</u> <ul style="list-style-type: none"> <li>ARC review of any accidents or incidents involving driving at work.</li> </ul>	2	4	8	<b>Treat</b> <u>Ops</u> <ul style="list-style-type: none"> <li>Audit driving at work risk assessment process.</li> <li>Offer safe driving courses available through organisations such as RoSPA to staff who regularly drive at work (AM 08/21).</li> </ul> <u>Monitor</u> <ul style="list-style-type: none"> <li>Introduce monitoring of work mileage (part of CS climate change action plan) and set targets for reduction (EB 08/21).</li> </ul>	
1e	People	Office slip/trip/fall results in injury	AM	3	3	9	<u>Ops</u> <ul style="list-style-type: none"> <li>Provide guidance in HSP02.</li> <li>Mandatory e-learning module.</li> <li>Good workplace risk assessment and management to minimise hazards.</li> <li>Strong H&amp;S culture to report and learn from hazards and incidents.</li> <li>Risk assess new office and update guidance as necessary.</li> </ul>	2	3	6	Tolerate	

							<u>Monitor</u> <ul style="list-style-type: none"><li>ARC review of any accidents or incidents involving slips and trips.</li></ul>						
1f	People	Accident at in-hand coastal, rural or urban property asset.	AW		4	4	16	<u>Ops</u> <ul style="list-style-type: none"><li>Implement regular inspection of in-hand harbour at Portgordon and pier at Crovie and other known high risk sites, ensuring appropriate signage, barriers and safeguards are in place and taking all reasonable steps to discourage unauthorised use.</li><li>Working with the local community to identify a funding package that would allow Portgordon harbour to be transferred into local community management.</li><li>Provide and implement guidance in HSP07, 08 and 16 in relation to rural, coastal and minerals.</li><li>Health and safety policies reviewed annually.</li><li>Ensure accurate record of in hand heritage buildings vacant and void buildings, land and bridges, undertaking regular inspection and ensuring prompt action to mitigate hazards.</li><li>Undertake regular inspections of Children’s Playground at Tomintoul in line with risk assessment.</li><li>Regular review of operational compliance at central H&amp;S committee at quarterly meetings</li></ul> <u>Monitor</u> <ul style="list-style-type: none"><li>ARC review of any accidents or incidents involving in-hand assets.</li></ul> <u>External oversight</u> <ul style="list-style-type: none"><li>Audit of HSPs included within Internal Audit programme.</li></ul>	3	4	12	<b>Treat</b> <u>Ops</u> <ul style="list-style-type: none"><li>Achieve community transfer solution for Portgordon.</li><li>Identify and achieve a long-term solution for Crovie pier.</li><li>Remediate metal and concrete exposed by coastal erosion at Kingston beach, Fochabers Estate.</li><li>Ensure new managing agents are fully aware of their responsibilities as duty holders and are notified when policies are updated annually.</li><li>Draft an HSP for Commercial Property.</li></ul> <u>Monitor</u> <ul style="list-style-type: none"><li>ARC monitoring of implementing Internal Audit recommendations.</li></ul> <u>External oversight</u> <ul style="list-style-type: none"><li>Implement recommendation of Internal Audit of policies and procedures and operational compliance.</li></ul>	
1g	Reputation	Accident associated with contractor capital works	AW		3	5	15	<u>Ops</u> <ul style="list-style-type: none"><li>HSP07 lays out responsibilities for contracted works, including in relation to managing agents.</li><li>Secure evidenced assurance from Duty Holders of compliance with CES policy.</li><li>Policy is to ensure the Duty Holder has evidence that contractors have satisfactory health and safety policies.</li><li>Response procedure to any evidence of breaches in CDM procedures.</li></ul> <u>Monitor</u> <ul style="list-style-type: none"><li>ARC review of any accidents or incidents involving in-hand assets.</li></ul> <u>External oversight</u> <ul style="list-style-type: none"><li>Audit of HSPs included within Internal Audit programme.</li></ul>	3	3	9	<b>Treat</b> <u>Ops</u> <ul style="list-style-type: none"><li>Ensure new managing agents have appropriate policies and procedures in place.</li><li>Implement ‘CDM for Clients’ training for responsible persons within CES.</li><li>Incorporate requirements into new procurement for capital works providers.</li></ul>	
1h	Reputation	Accident associated with failure to meet Landlord H&S liabilities for managed (leased) property	AW & CP		3	4	12	<u>Ops</u> <ul style="list-style-type: none"><li>Secured legal analysis of H&amp;S provisions in current agreements.</li><li>Ensure appropriate H&amp;S provisions in new agreements.</li><li>Cover from generic responsibilities laid out in H&amp;S and agricultural legislation.</li><li>H&amp;S properly addressed in managing agent contracts, with H&amp;S KPIs.</li><li>Clear definition of roles and responsibilities in H&amp;S policies, which are reviewed annually.</li></ul> <u>Monitor</u> <ul style="list-style-type: none"><li>Monthly reporting procedures monitored by asset managers.</li><li>Inspection regimes in place and monitored monthly by asset managers.</li><li>Condition survey works for rural, residential and commercial property completed.</li></ul>	2	3	6	<b>Treat</b> <u>Ops</u> <ul style="list-style-type: none"><li>Undertake managing agent compliance audit.</li><li>Take action to communicate H&amp;S responsibilities in relation to any agreements where this may not be clearly stated in the agreement document.</li><li>Update lease templates with Anderson Strathern.</li><li>Incorporate H&amp;S provision in aquaculture lease review.</li></ul> <u>Monitor</u> <ul style="list-style-type: none"><li>Report to ARC</li></ul> <u>External oversight</u> <ul style="list-style-type: none"><li>Incorporate into Internal Audit schedule</li></ul>	

# Health and Safety Policy Framework

Health and Safety Policy

HSP01

# Health and Safety Policy Framework

## Contents

Document Control .....	27
Our health and safety policy commitment .....	28
Health and safety framework .....	30
Health and safety governance .....	31
Risk management processes.....	33
Health and safety culture .....	34
Health and safety training and induction.....	34
Reporting and monitoring .....	34
Health and safety of members of the public.....	35
Health and safety of tenants, contractors and third parties .....	36
Annex 1: HSE health and safety checklist .....	37
Annex 2: Crown Estate Scotland Health and Safety Central Committee draft terms of reference.....	38
Annex 3: Schedule to Managing Agent's Contracts .....	39

## Document Control



### Document Details

<b>Author</b>	Simon Hodge
<b>Division Name</b>	Chief Executive, Crown Estate Scotland
<b>Document Name</b>	HSP01 Health and Safety Policy Framework

### Change Record

Version Number	Version Date	Next Review Date	Reviewer Name	Description of Changes
	08/08/19		Simon Hodge	Update incident reporting information, reference to the Business Continuity and Emergency Response Plan, and HSP list
	28/08/19		Simon Hodge	Incorporate amendments from H&S non-exec
	29/01/20		Simon Hodge	Incorporate edits from ET
	21/02/2020	21/02/2021	Simon Hodge	Final version approved by ARC.
	09/03/2021	09/03/22	Simon Hodge	Annual review

### Sign-off

Name	Position	Signature	Date
Andy Wells	Director of Property		06/04/21
Andrew Green	Health and safety consultant		15/03/2021

## Our health and safety policy commitment

Crown Estate Scotland is a body corporate constituted by The Crown Estate Scotland (Interim Management) Order 2017 and having its principal place of business at Quartermile Two, 2nd Floor, 2 Lister Square, Edinburgh, EH3 9GL, acting in exercise of the powers conferred on it by the Scotland Act 1998 (as amended) and The Scottish Crown Estate Act 2019 on behalf of Her Majesty the Queen.

We manage, develop and care for a variety of assets across Scotland including four rural estates, mineral and salmon fishing rights, about half of the coastal foreshore and almost all the seabed out to 12 nautical miles, and rights to some activities from 12 to 200 nm.

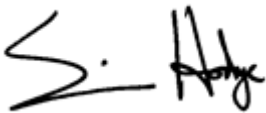
Our purpose is investing in property, natural resources and people to deliver lasting value for Scotland. All our revenue profit goes to Scottish Government. Our corporate plan and annual business plans detail our priorities and objectives, and our Framework Document sets out our functions, duties and powers.

We seek to not only comply with health and safety legislation but find opportunities to continually improve, and we recognise that excellent health and safety management is fundamental to the success of an organisation. As an organisation and employees, we will:

- Openly listen to suggestions to improve health and safety.
- Provide strong and active leadership in health and safety.
- Take reasonable care of our own health and safety and that of our colleagues.
- Ensure arrangements are in place to identify health and safety risks to our employees and to ensure risks are managed appropriately.
- Develop arrangements to prevent, so far as reasonably practicable, injury, ill health and damage as a result of our undertaking.
- Provide clear guidance, instruction, information, training and supervision to ensure employees have the right health and safety skills, knowledge and experience to do their work safely.
- Engage and consult with employees to ensure their involvement with health and safety culture and conditions.
- Allocate sufficient resources for health and safety to be managed effectively.
- Assess and plan for potential emergency scenarios.
- Maintain safe and healthy working conditions, provide and maintain safe plant equipment and machinery and ensure safe use and storage of substances.
- Ensure clarity of health and safety responsibilities with tenants, contractors and service providers.
- Seek opportunities to promote high standards of health and safety management amongst our stakeholders and to be an exemplar of good practice.

Our Health and Safety Framework sets out how we will achieve this. We will review this policy and framework annually to update with changes in legislation and new ideas from within our organisation and our supply chain. All employees are expected to understand and apply the requirements of this policy and CES will support and enable staff to embed a positive health and safety culture.

Signed:

A handwritten signature in black ink, appearing to read 'S. Hodge', enclosed within a thin black rectangular border.

Simon Hodge  
Chief Executive  
Dated: 9 March 2021



## Health and safety framework

This document outlines how Health and Safety issues are managed within Crown Estate Scotland (CES). The framework is based on the following essential principles:

- Visible and active Health and Safety leadership from senior management and the Board with effective communication to staff on health and safety matters and integration of good health and safety management in decision making; and fostering a strong Health and Safety culture.
- Workforce involvement by engaging and consulting the workforce in the promotion and achievement of safe and healthy working conditions and providing high quality training.
- Assessment and review: identifying and managing risks; accessing competent advice; and monitoring, reporting and reviewing performance.

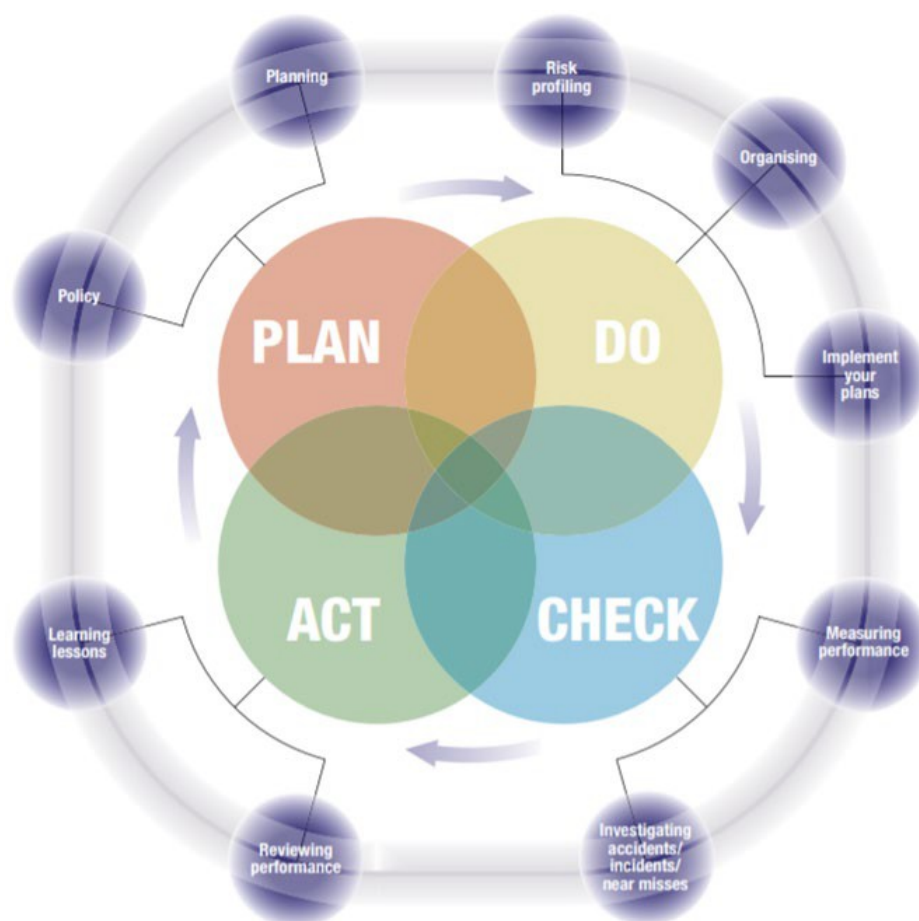
Crown Estate Scotland recognises the three main reasons why health and safety compliance is vital:

- Moral: There is no justifiable reason why the Health & Safety of CES employees or members of the public should be compromised as a result of the activities of CES. CES takes its moral obligations seriously.
- Legal: CES works to fully comply with the legislation and best practice. The Health & Safety at Work etc Act 1974 places broad duties on employers to ensure, so far as reasonably practicable, the health, safety and welfare of its employees and the health and safety of people who are not employed but who are affected by its undertaking. CES is aware that failure to comply with the Act and the regulations made under it could be subject to a criminal prosecution.
- Financial: The cost of failure to comply with Health & Safety regulations can be significant, in terms of staff impact lost output and potential fines. Complying with Health & Safety legislation is therefore good business and CES considers the price of compliance as an investment rather than a cost.

We will comply with the Health and Safety at work Act etc., 1974 and all other relevant statutory provisions across all aspects of CES business. This involves providing a safe and healthy working environment by:

- Developing arrangements to prevent injury, ill-health and damage as a consequence of our undertakings.
- Providing and maintaining plant, machinery and systems of work that are safe and without risk to health.
- Ensuring assessments of risks to people are undertaken and control measures implemented to manage these risks.
- Providing information, instruction, training and supervision as is necessary to ensure the health and safety of our employees.
- Allocating sufficient resources to enable health and safety policies to be effectively implemented.
- Consulting and maintaining good relations with employees, trade union representatives, and relevant public bodies.
- Making the management of health and safety an integral part of our culture, daily activities and actions.

Executive and Institute of Directors guidance 'Leading Health and Safety at Work – INDG417(rev1)',



We use the plan, do, check, act questions in the Health and Safety Executive leadership checklist<sup>1</sup> to evaluate our performance (Annex 1).

## Health and safety governance

CES is defined as a Public Corporation, with oversight by a board of non-executives and a chairman appointed by Scottish Ministers.

The Crown Estate Scotland Board is expected to assure itself on the effectiveness of the internal control and health and safety risk management systems. The Board is supported in this role by Crown Estate Scotland Audit and Risk Committee, and a board member with a specific focus on health and safety management. To provide this assurance, the Crown Estate Scotland Board requires that the Accountable Officer ensure that a system of health and safety risk management is embedded in the organisation. This requirement is laid out in the organisation's Framework Document<sup>2</sup>.

The Crown Estate Scotland Board reviews and approves risk management policy after seeking advice from the Audit and Risk Committee. The policy is formally reviewed and approved on at least an annual basis.

A quarterly report is provided to the Audit and Risk Committee with an analysis of accidents and incidents, and evidence in relation to learning, mitigation and development of health and safety culture and practice. An annual report is prepared for the CES Board, as well as

quarterly summary reporting of accidents.

CES has a Health and Safety Central Committee with representatives from all business areas (terms of reference are at Annex 2). It is a formal basis for workforce input into health and safety management and provides a forum for understanding how to strengthen health and safety culture and communications. The Committee reviews learning from incidents and accidents and inputs into H&S policies.

## Health and safety management

The **Accountable Officer** delegates specific health and safety management responsibilities to CES **Directors**.

In accordance with the Scottish Public Finance Manual, Crown Estate Scotland operates an Assurance Framework<sup>3</sup> to provide the basis for the annual Certificate of Assurance from the Accountable Officer. This assurance framework incorporates risk management, including for health and safety management, requiring CES Directors to provide evidenced assurance of appropriate risk management in each of the four functions in accordance with this risk management policy. The operation of the Assurance Framework is within scope for CES's internal and external auditors.

CES Directors will define the Health and Safety responsibilities of **team leaders** and ensure that this is done in a way that meets the requirements of CES health and safety policies and is defined in individual forward job plans.

The **Director of Property** has specific responsibilities for Health and Safety of Property team operatives on the rural estate and for Health and Safety oversight through contracts and tenancy agreements across the rural and coastal estate. CES carries out some direct land management activity on the rural estates. The principle activities are forest management; estate maintenance – particularly on water supplies and farm buildings and infrastructure; and Glenlivet estate visitor services. The Senior Asset Manager is the line manager responsible for the health and safety of the CES team undertaking these tasks. These activities are managed in accordance with relevant legislation. Policies and procedures are in place to identify and manage the risk to staff for the activities they undertake.

Forest management activities including felling, ground preparation, planting and general maintenance are the responsibility of the **Forest Manager**. Woodland management is audited annually against the UK Woodland Assurance Standard which includes elements of forestry health and safety.

The rural **managing agents** have a role in instructing some of the estate maintenance tasks undertaken by the maintenance team. Health and safety aspects of the job specification are managed through their contractor management system.

The CES **Business Support Manager** is responsible for office health and safety at the Edinburgh Office (in liaison with the landlord), and the **Countryside Business Assistant** for the offices at Glenlivet. The Maintenance team Supervisor is responsible for the depot at Fochabers. These nominated staff are responsible for:

- Fire risk assessment, fire alarm checks and maintenance, designation of fire wardens, management of fire exits and fire extinguishers.
- First aid provisions.

- Water hygiene management (legionella).
- General safety of workspaces including avoidance of trip hazards.
- Signage, display of health and safety law poster and display of health and safety committee material.
- Local implementation of emergency procedures and identification of responsible persons.

## Risk management processes

CES maintains a Strategic Risk Register which identifies and records response to risks that are significant at an organisational level, including in relation to Health and Safety. The objective is to mitigate or terminate risks to achieve a residual risk rating in accordance with risk appetite. For Health and Safety, the following control strategy is summarised:

- Health and safety expertise and capacity sourced.
- Risk management policies and risk assessment processes in place.
- Active programme of health and safety culture development, induction and training.
- Health and safety integrated into governance and reporting.
- Health and safety appropriately reflected in contract and tenancy arrangements.
- Implement member-of-the-public safety management for in-hand land, particularly where CES provides recreation facilities.
- Reporting, inspection and monitoring systems for directly managed activities and activities overseen by managing agents.
- Site specific health and safety information in place for staff working at all operating bases.

In addition to the Strategic Risk Register, a Health and Safety Risk Register is used to identify and manage specific health and safety risks. CES has prepared a series of Health and Safety Policy Guidance Notes as a key tool for risk management. The current suite is:

Number	Title	Owner
HSP01	Health and Safety Policy Framework	Chief Executive
HSP02	Management of Common Risks	Director Finance and Business Services
HSP05	Electrical Safety and Gas Safety	Rural Asset Manager
HSP06	Asbestos Management	Rural Asset Manager
HSP07	Managed Properties in the Rural Portfolio	Rural Asset Manager
HSP08	Managed Properties in the Coastal Portfolio	Coastal Asset Manager
HSP09	Plant Equipment and Heavy Operations	Fochabers Maintenance Team Supervisor
HSP11	Occupational Health and Wellbeing	HR Manager
HSP13	Forestry Operations	Forestry Manager
HSP14	Tree Safety	Forestry Manager

HSP15	Management of Glenlivet Estate Visitor Infrastructure	Countryside Manager
HSP16	Managed Properties in the Mineral Portfolio	Rural Asset Manager
HSP17	COSHH	Countryside Manager

Health and Safety Guidance Notes will be reviewed annually or sooner if necessary.

CES maintains a Business Continuity and Emergency Response Plan that lays out procedures for managing emergency situations, including a health and safety incident.

## Health and safety culture

The CES People Strategy aims ‘to engage and develop individuals, inspiring each other to ensure Crown Estate Scotland remains a great place to work and that we deliver for Scotland’. It is underpinned by the Fair Work Principles<sup>4</sup>: work which offers effective voice, opportunity, security, fulfilment and respect. They balance the rights and responsibilities of employers and individuals to benefit individuals, organisations and society. Health and safety are placed at the core of Crown Estate Scotland’s culture and values.

Both the organisation’s Chief Executive and Director of Property have completed The Institution of Occupational Safety and Health (IOSH) Health and Safety Leadership course.

CES utilises the services of the health and safety consultancy, Greens of Haddington Ltd, for expert advice, guidance on the development of health and safety policies, and ongoing monitoring of health and safety management. Greens of Haddington Ltd provide an alert service to ensure changes in legislation are communicated to relevant personnel and incorporated into policies and procedures.

In relation to forestry, CES is a member of FISA (the Forest Industry Safety Accord).

## Health and safety training and induction

Health and safety is a key element in induction procedures for new staff. CES has an e-learning platform to support this, which includes: responsibilities and legal requirements; hazards and risks; safety signs and notices; and workplace safety and procedures.

More specific training is provided to staff involved in specialist tasks. This principally relates to field staff based at Fochabers and Glenlivet.

## Reporting and monitoring

A quarterly report is provided to the Audit and Risk Committee with an analysis of accidents and incidents, and evidence in relation to learning, mitigation and development of health and safety culture and practice. An annual report is prepared for the CES Board, as well as quarterly summary reporting of accidents.

An accident book is maintained at office and depot locations. Staff are encouraged to report any accident, near miss, occupational disease, dangerous occurrence, fire, or unsafe act or

condition in relation to the CES workforce or properties. A digital proforma is provided on the staff intranet. Reports are reviewed to establish whether further investigation and or revision of existing working practices needs to be adopted. Shared learning from occurrences is facilitated.

All accidents involving first aid treatment and incidents with the potential to result in injury will be referred to the Health and Safety Advisor and Countryside Business Assistant who acts as health and safety coordinator.

All accidents that result in a member of staff having to visit hospital for treatment will be reported to the Director of Corporate Operations within two days.

If an incident could be defined as a 'Dangerous Occurrence' according to the reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR), the Director of Corporate Operations is responsible for reporting it to HSE's Incident Contact Centre (within 10 days of the incident). If a member of public or contractor has to visit hospital for treatment, it is also RIDDOR-reportable, and it is the Director of Property who is responsible for reporting to HSE.

For the avoidance of doubt, the following injuries are reportable under RIDDOR when they result from a work-related accident:

- The death of any person (Regulation 6)
- Specified Injuries to workers (Regulation 4). These are
  - fractures, other than to fingers, thumbs and toes
  - amputations
  - any injury likely to lead to permanent loss of sight or reduction in sight
  - any crush injury to the head or torso causing damage to the brain or internal organs
  - serious burns (including scalding) which:
    - covers more than 10% of the body
    - causes significant damage to the eyes, respiratory system or other vital organs
  - any scalping requiring hospital treatment
  - any loss of consciousness caused by head injury or asphyxia
  - any other injury arising from working in an enclosed space which:
    - leads to hypothermia or heat-induced illness
    - requires resuscitation or admittance to hospital for more than 24 hours
- Injuries to workers which result in their incapacitation for more than 7 days (Regulation 4)
- Injuries to non-workers which result in them being taken directly to hospital for treatment.

Resumption and recording systems are well developed for CES field teams, and these systems have been extended across the organisation. This approach is based on an Excel spreadsheet for recording compliance evidence and feeding an Outlook resumption system. Our Cascade HR system will be used for individual training records as well as ill-health absence recording.

## Health and safety of members of the public

Over much of the Scottish Crown Estate, tenants have primary responsibility for the health and safety of members of the public on land and property occupied and used by them for the purposes defined in their lease. CES holds primary landowner responsibility for member of the public health and safety in our directly managed forests and other in-hand land. At Glenlivet



we invite members of the public onto a network of walking and cycling trails which are subject to active management and a regime of regular safety checks, with an emphasis on managing the interaction between public access and forestry and other estate activities.

## Health and safety of tenants, contractors and third parties

Most activity on the Scottish Crown Estate is undertaken by tenants and agreement holders. CES also uses contractors, agents and other service providers. These contractual arrangements can be characterised as follows:

- Direct procurement contracts. This includes a range of services, most significantly for land agency, legal advice, financial advice and HR services. CES also from time to time procures practical services in relation to building and estate management. Management of direct contracts involves implementation of appropriate on-site procedures as well as ensuring health and safety is properly covered in contract documentation. Where appropriate these arrangements are managed under the CDM regulations.
- Indirect procurement contracts. Agreement management for the rural and coastal portfolio is undertaken by managing agents. This can involve managing agents procuring and managing construction and building repair activities on the Scottish Crown Estate. In these cases managing agents use contract management systems that establish and meet the requirements of CDM regulations. Procedures are in place to monitor managing agent compliance through regular reporting, incident management procedures and property compliance, in accordance with the terms of managing agent appointments (Annex 3). These processes are subject to annual audit. Following a retendering exercise, our managing agents from 1 April 2021 are:
  - Strutt and Parker (BNP Paribas) – management of rural property (including Montrose) apart from forestry and recreation facilities and CES workplaces.
  - Bidwells – management of coastal assets and agreements.
  - Wardell Armstrong – management of active and in-hand quarries and mineral works.
  - London and Scottish Property Investment Ltd. – management of Urban Property (George St. Edinburgh).
  - Savills - management of Salmon Fishing rights (outside the Rural Estate). (Separate arrangements are in place under the local management pilots programme for management of the Salmon Fisheries in the Forth District Salmon Fisheries Board area. The Project Agreement separately defines H&S responsibilities).
- Leases and licence agreements. CES has some 5000 leases and licence agreements ranging from fish farms and marine activities through farms, river fishing, mineral extraction to houses and business premises.
- ‘Standing sales’. Timber is sold by standing sale, whereby the buyer secures a temporary right of occupation to a felling site in order to harvest an agreed area of timber.
- Partnerships and SPVs. Occasionally CES might enter into a legal agreement with third parties in relation to an investment or project. Currently the only example is the MeyGen tidal energy project.

CES is reviewing historic approaches to health and safety provisions in this range of agreements and legal advice is being sought on historic agreements where further clarification of health and safety responsibilities would be beneficial.

## Annex 1: HSE health and safety checklist

### Plan

- How do you demonstrate the board's commitment to health and safety? See [Writing a health and safety policy](#).

### Do

- What have you done to ensure your organisation, at all levels including the board, receives competent health and safety advice? See [Deciding who will help you with your duties](#).
- How are you ensuring all staff – including the board – are sufficiently trained and competent in their health and safety responsibilities? See [Health and safety training: A brief guide](#).
- How confident are you that your workforce, particularly safety representatives, are consulted properly on health and safety matters, and that their concerns are reaching the appropriate level including, as necessary, the board? See [Consulting and involving your workers](#).
- What systems are in place to ensure your organisation's risks are assessed, and that sensible control measures are established and maintained? See [Controlling the risks](#).

### Check

- How well do you know what is happening on the ground, and what audits or assessments are undertaken to inform you about what your organisation and contractors actually do?
- What information does the board receive regularly about health and safety, eg performance data and reports on injuries and work-related ill health? See [Auditing and reporting](#).
- Do you compare your performance with others in your sector or beyond?
- Where changes in working arrangements have significant implications for health and safety, how are these brought to the attention of the board?

### Act

- What do you do to ensure appropriate board-level review of health and safety? See [Successful health and safety management](#).



## Annex 2: Crown Estate Scotland Health and Safety Central Committee terms of reference

The Crown Estate Scotland Health and Safety Central Committee includes representatives from across Crown Estate Scotland including business/asset managers from all areas of CES business, the H&S advisor, a Trade Union nominee/representative, HR representation, H&S business co-ordinators/administrators the Fochabers and Glenlivet maintenance workforce and the H&S advisor.

The role of the Crown Estate Scotland Health and Safety Central Committee is:

- To assist with the management, monitoring and compliance with H&S policies and activities across all aspects of CES business.
- To promote a strong Health and Safety culture by involving staff at all levels in the management and monitoring of health and safety and welfare in the workplace.
- To review (on a quarterly basis) the delivery of the Plan, Do, Check and Act approach across Crown Estate Scotland business activities according to the HSE checklist.
- To identify issues or matters of concern and bring these to the attention of the Health and Safety Advisor and the Chief Executive.
- To raise staff awareness regarding hazards in the workplace and the controls in place to manage them.
- To promote understanding and awareness of Crown Estate Scotland health and safety policies across the organisation.
- To gather information that can be used for reporting purposes.
- To contribute to communications regarding health and safety matters to staff.

To review all H&S incidents and make recommendations regarding improvements to the Chief Executive.

It is a requirement of membership of the Health and Safety Committee to attend all meetings unless this is not possible on the grounds of annual leave, sickness (or other approved) absence or as a result of unanticipated business reasons. If members are unable to attend, they should (if possible) nominate another member of their business area to attend in their place.

Members of the Committee who fail to attend more than two consecutive meetings (or fail to appoint a nominee) will be deemed to have failed in relation to their responsibilities and this will be referred to the relevant Director for follow up action.

## Annex 3: Health and Safety responsibilities included in Managing Agent's Contracts

The following text was included in the Invitation to tender (ITT) for the new managing agent's contracts.

### Health and Safety Management

Crown Estate Scotland's Health and Safety Policy Framework ([HSP01](#)) outlines how Health and Safety issues are managed within Crown Estate Scotland and sets out the key responsibilities under the Managing Agents contracts. In addition, a suite of Health and Safety Policies set out responsibilities and requirements for Health and Safety management for the Rural, Coastal and Minerals and Mines Royal assets. Managing agents are expected to conform with these policies which are updated annually.

Any lot specific Health and Safety requirements are set out below.

### Rural Estates

The Managing Agent will be responsible for:

- Managing and ensuring Crown Estate Scotland meets, as property owners, all its Health and Safety obligations in relation to the Rural portfolio according to statutory/regulatory requirements and as set out in the Crown Estate Scotland Health and Safety Management Policy framework [HSP01](#) and Health and Safety Policy HSP07 (Managed Properties in the Rural Portfolio) which sets out the duties and responsibilities as well as the direction and principles for the management of health and safety risks in the rural portfolio. This requirement includes asbestos safety, electrical and gas safety, inspections and monitoring of void and redundant buildings, management of tree safety outside commercial forest areas, management and inspection of bridges/culverts and management of in-hand land.
- Monthly H and S reporting/ compliance reporting/monitoring against all statutory /regulatory requirements and policies.
- CDM management as required.
- Identification of hazards, risk management/mitigation including preparation and review of risk assessments for managed property as required.
- Management and supervision of all contractors and suppliers.

### Coastal

The Managing Agent will be responsible for:

- Managing and ensuring Crown Estate Scotland meets, as property owners, all its Health and Safety obligations in relation to the Coastal portfolio as set out in the Crown Estate Scotland Health and Safety Management Policy framework [HSP01](#) and Health and Safety Policy HSP08 (Managed Properties in the Coastal Portfolio) which sets out the duties and responsibilities as well as the direction and principles for the management of health and safety risks in the coastal portfolio, including in relation to managing agents and contractors.
- Monthly H and S reporting/ compliance reporting/monitoring.
- CDM management as required.
- Identification of hazards, risk management/mitigation including preparation and review of risk assessments for managed property as required.
- Management and supervision of all contractors and suppliers.

## Salmon Fishings

The Managing Agent will be responsible for:

- Managing and ensuring Crown Estate Scotland meets, as property owners, all its Health and Safety obligations in relation to the Salmon Fishings portfolio as set out in the Crown Estate Scotland Health and Safety Management Policy framework [HSP01](#) and related policies.
- Health and Safety reporting/ compliance reporting/monitoring.

## Minerals and Mines Royal

The Managing Agent will be responsible for:

- Managing and ensuring Crown Estate Scotland meets, as property owners, all its Health and Safety obligations in relation to the Minerals Portfolio as set out in the Crown Estate Scotland Health and Safety Management Policy framework [HSP01](#) and Health and Safety Policy HSP16 (Managed Properties in the Minerals Portfolio) which sets out the duties and responsibilities as well as the direction and principles for the management of health and safety risks in the Minerals portfolio, including in relation to managing agents, third party operators and contractors.
- Health and Safety reporting/ compliance reporting/monitoring.
- CDM management as required.
- Identification of hazards, risk management/mitigation.
- Management and supervision of all contractors and suppliers.
- Health and safety – direct management of any voids and ensure tenant implementation of lease requirements.
- Environmental Performance management, reporting and monitoring.

## Urban

The Managing Agent will be responsible for:

- Managing and ensuring Crown Estate Scotland meets, as property owners, all its Health and Safety obligations in relation to the Urban portfolio as set out in the Crown Estate Scotland Health and Safety Management Policy framework ([HSP01](#)) and related policies.
- Health and Safety management– equipment (e.g. lifts), common parts public, listed building, etc.
- Health and safety reporting/ compliance reporting/monitoring.
- CDM management as required.
- Identification of hazards, risk management/mitigation.
- Management and supervision of all contractors and suppliers.

## Board Paper

<b>Date of Meeting:</b>	30 June 2021
<b>Classification:</b>	Unrestricted
<b>Subject:</b>	Chief Executive's Report
<b>Paper Number:</b>	BD(2021)26.4
<b>Annexes:</b>	n/a
<b>Recommendation:</b>	The Board is invited to note this Report which outlines key activity from mid-February to mid-June 2021.
<b>Presenter:</b>	Simon Hodge
<b>Author:</b>	Esther Black

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

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### 1. Overview

There was good delivery against the 2020-21 business plan (see Q4 dashboard for more information). The annual report and accounts – which Board members have seen – gives more detail. 2021-22 Business Plan has been approved by our new minister and published.

We all continue to come to terms with John Robertson's sudden death. The whole team is currently working at full stretch on delivery and change projects, alongside the pressures of lockdown and, for some, the intermittent challenges of childcare in cases of self-isolation. We are hoping to arrange a team get-together outdoor in late summer, restrictions allowing.

Changes to team structures and remits continue, with E&I particularly impacted by recent events. ScotWind continues to be the key priority for the business, and we are currently sourcing E&I recruitment specialists to help us build capacity.

The property system Propman now up and running and new managing agents in place. The new office nearly fully fitted out and induction and orientation visits have been taking place. We have continued to feed into the work of the Scottish Government consultants on the proposed process for transfer and delegation of the management of Scottish Crown Estate assets (prior to Part 2 of The Scottish Crown Estate Act 2019 coming into force).

### 2. Meetings/engagement

A separate list of the engagement and meetings by the Chair and CEO has been submitted to the Board (BD(2021)26.2).

Following on from last month's Scottish Parliament elections, we have started rolling out an engagement programme for the new parliamentary session. Our focus is on ensuring that our engagement activity matches our corporate plan objectives, and that it builds the relationships and reputation 'equity' needed to enable us to deliver.

The main strands of MSP engagement fall into the following categories:

- Specific Scottish Government Ministers
- 'Patch' MSPs, meaning members whose constituencies contain a large Crown Estate Scotland footprint.
- Opposition spokespeople on relevant topics, such as energy and net zero
- Members of Committees or Cross-Party Groups on relevant subjects

Several MSP meetings have taken place since the election.

The annual independent survey of local authority leaders and senior officials is currently under way and we will share key findings.

We sponsored the 'outstanding supporter of coastal communities' category in the SCDI Highlands & Islands Business Awards 2021, which took place on June 24.

A VIP visit to a port is likely to take place in September.

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

A report on follow up actions is included in the Annual H&S Report to Board which was presented to the ARC at their June meeting. An updated reporting dashboard format was also presented to ARC in response to one of the management actions raised. We are exploring a Service Level Agreement with Forestry and Land Scotland for provision of expert health and safety services.

We are continuing to work on plans to open the new office at Quartermile Two as and when Scottish Government restrictions permit. Part of that work is to undertake risk assessments and to prepare a Health & Safety manual for the office.

### **4. COVID-19 Impacts**

Financial: 2020-21 Q4 results are covered in separate papers. Risk: Health & Safety risk assessments are being carried out as required. Reputation: the ScotWind leasing option review caused a spike in negative media coverage in Q4 with negative coverage approximately 17% of all coverage, up from an average of 3-5%.

People: Reduction in capacity due to caring responsibilities is no longer a significant issue although there remains occasional need for children to self-isolate from school / nursery. We are continuing to offer support through our Wellbeing Matters programme. We continue to roll-out various events and opportunities for staff to connect with each other informally (most of these are online but will be planning in-person event in summer if restrictions allow). The new office is ready for use (with restrictions) and staff have been visiting for orientation (with physical distancing).

### **5. Risk Management**

The Audit and Risk Committee approved the adoption of an updated version of the risk register which will be presented to the Board out of meeting in a separate paper.

## **6. IT and cybersecurity**

We have continued to focus on strengthening our cyber security. We signed a contract to complete our renewal of Cyber Essentials Plus and to also provide Network Penetration Testing which is starting in June. We have also contracted a security information and event management platform to substantially improve the monitoring and detection of security events within our network. We have also been giving a lot of focus to mobile phones to ensure all phones (company and BYOD) meet our minimum security requirements. We have completed the work setting up both Apple Business Manager and Microsoft Endpoint Manager to ensure new company phones receive mandatory security settings that can't be overridden.

The Property Management System (Propman) is now fully live although it will take some time to bed in as we all learn how best to use the system for our processes. With the changes in our managing agents there is a view that we need to expand the number of Propman licences that we own, and possibly expand functionality too. As such we plan to issue a VEAT notice in order to extend our Propman contract to cover some additional licensing and consultancy.

Quartermile Two has all the initial IT equipment physically installed including the back-up internet link. Some configuration work is still needed to optimise the setup.

## **7. People**

Good progress is being made in implementing the workforce plan.

New starts include:

- Penny Coles (H&I Regional Engagement Manager) – 15 June 2021
- Mark Johnston (Head Ranger) – 5 July 2021
- Kati Karki (Forestry Intern) – 2 August 2021
- Eilidh Todd & Janne Bruhns (Board Interns) – Eilidh from June 2021 and Janne from March 2022

Andy Wells moves to the Sales and Programme Director role as effective from 1 September, and we are preparing for induction of two new Board members (Eilidh and Janne will also join induction sessions).

On 30 June, HR moves to Finance & Business Services and Partnerships joins Corporate Operations.

Information Coordinator Renée Lefrançois, in the Governance function, went on maternity leave in April. We have not yet secured maternity cover.

We are closing off discussions with PCS on the new staff contract, aiming for roll out late June / early July.

We will soon invite staff to voluntarily provide details (via our HR system) on protected characteristics to help us establish a baseline against which we can track future changes in the workforce.

Skills-based and people competencies are being developed, to complement our behaviour competencies. We are also trialing LinkedIn Learning and working with teams to establish the best way to use professional bodies to advance and deliver L&D.

The interim pay award plus pay progression have been implemented. We await a pay claim from PCS.

We are also refreshing our flexible working policy to cater for an expected increase in demand from staff to permanently blend office and home working.

## **8. Corporate Affairs & Policy**

In line with the communications and engagement strategy the team are

- Working on a new Crown Estate Scotland website, to be launched end of June or early July
- Embedding new brand guidelines
- Preparing to procure an agency to develop a digital communication plan. The scope of services may also include some activity related to COP26 and the blue economy
- Working with built environment colleagues to plan what marcomms services will be needed, and when, across various sites
- Sourcing training for managing agents covering equality and diversity

We have managed the latest tenants survey, which was for Energy & Infrastructure tenants. It shows a mean satisfaction rating of 7 out of 10 (cf. 2018-19 6.9). 53 respondents replied (38% response rate). We are now moving to surveying tenants every three years instead of two years. This will still give us the evidence needed to measure progress against corporate plan targets.

Activity planned in relation to COP26 includes a partnership with Scottish Renewables on a community roadshow and a potential litter 'COP clean-up of the Clyde' with a third sector partner. We are also taking part in a Business in the Community working group set up to provide targeted support for SMEs who want to reduce emissions. In line with our climate change plan, we are now developing draft green office and green travel plans.

Value Project Asset Profiles were published on our website in May and tailored emails sent to key contacts. The communications plan has identified target organisations as well as opportunities to showcase our work.

On the Sustainable Communities Fund, successful applicants and projects were announced in March (Environment Grants) and June (Community Capacity Grants).

The number of applications and grants awarded in Year 1 are as in the table below. Year 2 of the Fund will be launched in Summer 2021.

A 'lessons learned' exercise on Year 1 with three board members took place on 17 June 2021 - actions / changes for Year 2 agreed are also listed below.



	No of applications / EOIs	No of awards	Approx. total awarded	Feedback	Year 2 changes
<b>Community Capacity</b>	156 (30 ineligible; 14 invited to submit full application)	7	£150k	Application process easy (17 yes) Process proportionate to funding (15 yes) Criteria clear (14 yes)*	Increase of £100k to a total of £250k; net zero theme (tbc review of new funding related to COP26); strengthen emphasis on community enterprises needing to be self-sustaining; build publicity work (e.g. flyers) and strengthen profile of CES; offer more feedback at EOI stage; enable screen-reading software
<b>Environment</b>	31	6	£90k	Wild fisheries tenants need option to spend funds on land adjacent to river	Option to spend funds on land adjacent to leased area where this approach can be justified. Partnership working with other landowner to be explored where possible. Continue to provide support throughout process

\*Based on survey with 22 responses out of 156.

#### Diversity in net zero sectors:

- Sian in E&I and Laura in Corporate Affairs are supporting Full Circle 21 (FC21). The new initiative will support the renewables industry in Scotland to progress to a gender and ethnically balanced workforce by providing practical support to address three main pillars (promoting the industry to underrepresented groups, providing opportunities to aid career progression and providing a buddy and support network to allow all participants to learn from each other)
- Work to date has included
  - Setting up FC21 'mighty network', an online portal where members can source information, share ideas etc
  - Logo and branding work
  - Digital welcome pack including questionnaire to find out more about members
  - Initial plan for first 6 sessions – reaching out to potential speakers and trainers



## **9. Partnerships / Pilots**

The Forth District Salmon Fishery Board (FDSFB) pilot operations are in progress, recruitment of a Forth Fisheries Development Officer now completed with the post to be taken up in June and communications plans being finalised. We have shared key policy information with Forth DSFB including a standard lease template and have a full transition plan including support on rent accounting from Savills.

The Orkney Islands Council (OIC) pilot implementation agreement was signed in March and is now in the pre-operational setup phase. Recruitment of a project officer was unsuccessful in the first round of advertising, with a second round now underway. We have agreed a transition process of notification for key lease applications with OIC, specifically relating to fin fish farming, to provide transparency and to help inform the operational setup phase.

The Comhairle nan Eilean Siar (CnES) and Galson Estate Trust implementation agreement is in final draft form expected to be agreed this period. Shetland Islands Council's pilot remains on hold to meet their resource and time constraints, however recent engagement indicates SIC are preparing to re-engage on their plans.

A significant milestone was reached in Portgordon with the purchase of the former Richmond Arms completing in May<sup>12</sup>. Terms for lease of the property and for wider uses of the harbour estate by the community are being prepared, and progress against the MoU towards ownership transfer remains on track. Harbour Management Advisory Group Terms of Reference are in final draft for ratification at the first meeting scheduled for later in June, with support from HIE confirmed, and requested from Moray Council Harbours.

In North Ayrshire, discussions on investment options at Hunterston and Irvine Great Harbour are progressing, with commercial models relating to the I3 manufacturing site having been tested against North Ayrshire Council's (NAC's) alternative sources of capital.

Discussions with OIC Harbours around Scapa Deepwater Port, CnES in relation to the wider Stornoway Energy Hub and Deepwater port, and Lerwick Port Authority on potential investment models for Dales Voe Ultra Deepwater Port continue, with internal coordination now being led by the Energy Ports Development Manager. An MoU was recently concluded with OIC Harbours to explore opportunities relating to the Scapa Deepwater port.

Partnerships are also emerging around the Borderlands Inclusive Growth Deal and the Islands Growth Deal, and ongoing development of opportunities around Forth William and relationship building with Highland Council have been actioned.

## **10. Energy and Infrastructure**

The team are currently working through the sudden death of John Robertson, which has had a big impact on this tight-knit team. Work is underway to evaluate and manage work priorities.

An ITT is now live to appoint a recruitment consultancy to support E&I recruitment following the recent E&I workforce planning Board approval.

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<sup>1</sup> <https://www.crownestatescotland.com/media-and-notice/news-media-releases-opinion/crown-estate-scotland-invests-in-community-hub-as-portgordon-deal-develops>

<sup>2</sup> <https://www.pressandjournal.co.uk/fp/news/moray/3197506/portgordon-hotel-deal-concluded/>

The ScotWind Rapid Review was completed on schedule on the 24 March following significant efforts from the team. The outputs have been communicated and applications are now due on 16 July 2021, with confirmation of intent to apply due by 11 June 2021.

The focus on the rapid review and addressing clarifications to registered applicants on an ongoing basis (both for the original post adoption addendum published in January and for the further information published on the 24<sup>th</sup>) along with other recent developments in the E&I team has impacted on the activities being undertaken to prepare for the ScotWind assessment process.

The ScotWind programme and associated activities are therefore currently being reviewed with the intent of seeking the optimum balance between ensuring a robust process and timeline.

The Arup contract has been managed as agreed at January Board – we have received no challenges in relation to the VEAT (Voluntary Ex-Ante Transparency Notice) notice we published, and an Invitation to Tender is currently live to support the ScotWind team for second reviews of applications.

The Offshore Wind Liaison Group has now been set up by us with representation from Marine Scotland, SG Energy and SG Finance (first meeting scheduled for 9 June 2021). The initial main focus of this will be INTOG (Innovation and targeted Oil & Gas) leasing. As Marine Scotland progress the planning process for INTOG we are seeking to develop a programme and process for leasing aspects.

Seagreen project 1 is anticipated to move to lease imminently and a lease premium of circa £7M will be received by CES at this point.

CCS continues to be a significant focus. As well as engaging with Pale Blue Dot in relation to their option agreement to allow for phasing, we are developing our position on how to grant development rights for new CCS opportunities.

Of the three tidal turbines our investment is related to at MeyGen, turbine 2 requires significant repairs with turbine 1 requiring less major repairs. There are significant funding constraints to undertake these repairs, with a number of avenues having been investigated and none so far being successful. An important avenue to cover some of the cost is a latent defect claim with the manufacturer Andritz. In the short term we will formally agree to further delay enhanced rent payments to the end of September 2021 whilst options are further progressed on a longer term solution (note we have budgeted that we receive no enhanced rent payments in the corporate plan period and do not anticipate any solution that will deliver this). The situation may be complicated by links between the parent company Simtec Atlantis and the Gupta group of companies that are in financial difficulties.

We are engaging with Shetland and Orkney in relation to future leasing for wave and tidal opportunities.

We have received an LMV (less than market value) approach from BT in relation to R100 (ie cables to offer 100% Broadband coverage throughout Scotland including most remote locations). In the first instance we have commissioned independent advice in relation to market value.

## 11. Aquaculture

The June tranche of finfish payments are currently being received with over half the tenant list having paid already. 75% of shellfish rents are in and of the circa 25% balance, 20% is split between an imminently due payment re-scheduling and one dealing that we know will have to be credited against a Brexit-induced cessation of activity (see below). Only three tenants took up our offer to re-schedule rent payments.

Brexit / COVID-19

- Shellfish – the only large casualty on the shellfish side has been an oyster tenant whose French investors decided to cease operations (notified last year) in Scotland as a consequence of Brexit induced export restrictions on live bivalves. This issue may well put pressure on those markets for Scottish producers who have only ever sold in the UK. We have a Crown Estate Scotland study currently underway investigating alternative markets for shellfish and this may offer assistance in this matter.
- Finfish – while exports of salmon to the EU remain subject to increased bureaucracy and associated costs, they have nevertheless increased quite substantially in the first quarter of 2021 – 74% over that in the same period in 2020.

The Root and Branch Review Group have confirmed the final set of recommendations and communicated these to Board. We expect to meet and brief Scottish Government early July. Currently there are 3 collaborative work package R&D projects with Marine Scotland, with 2 pending, and 3 Crown Estate Scotland-only enabling R&D projects under way.

## 12. Property

The transition to the new managing agents has now been completed with contracts now in place with Bidwells (Coastal), Strutt and Parker (Rural North and South), Wardell Armstrong (Minerals and Mines Royal), Savills (Salmon Fishings) and London & Scottish Property Investment Management (Urban – George St). A side agreement is also in negotiation with Savills for the ongoing management of certain capital projects and other works mainly associated with the Rural Condition Survey, to ensure continuity and completion of works that Savills were managing at the point of transition. It is anticipated Savills will continue their involvement in these projects until the end of Q2 or until they are completed. A similar transition is under way for the Forth DSFB local management pilot, with Savills providing support during that process.

A detailed transition plan was put in place to ensure smooth transition to the new arrangements and this has been monitored through regular meetings of the project team. This was an extremely complex and challenging project given the very short timescales involved and the pressures of other projects and involved a considerable amount of work for several teams across the business. It is an immense credit to all those involved that the transition was made without major issues arising. The ongoing operational elements involved in the transition still require close management and an operational management plan is in development to ensure any outstanding transition priorities and any additional requirements/teething issues are captured and managed to completion.

## 13. Brexit

The impact of Brexit on the Property portfolio has so far been limited and we are not receiving any indications that this will affect either Coastal or Rural businesses' ability to meet rental payments.

Livestock prices have remained buoyant and this look set to continue for the autumn sales. The greatest impact for rural / tourism businesses is on workforce availability and many tourism /

accommodation businesses are struggling to recruit staff. This is not a specific issue for many of our rural or coastal tenants.

Material costs for construction projects have been impacted as a result of shortage of supply, import delays and rising demand as the economy accelerates post-lockdown. This is likely to impact on building costs particularly for delivery of the farm condition survey works and fixed equipment replacements (silage pits, farm sheds etc.) that are in the pipeline.

#### **14. Coastal**

The sale of an area of reclaimed seabed at Tobermory to the Tobermory Harbour Association has now been completed. The land forms the main car park in Tobermory, the sale will enable the Harbour Association to work closely with Argyll & Bute Council to manage this key facility.

The Property Team continue to assist the sponsor team in its application of Section 10 of the Scottish Crown Estate Act 2019 (i.e. the requirement to get Ministerial approval for sales of seabed).

Policy pertaining to the resolution of foreshore title conflicts arising from the voluntary registration project is being considered by the Executive Team. The sponsor team has recently intimated that it intends to run its own foreshore registration project.

Work on the full business case for a capital investment in Ullapool Harbour Trust's Community Waterfront Project continues.

#### **15. Marine Tourism**

As part of our Memorandum of Understanding with NAC we have confirmed 50% support for a two year role employed by the Council to support marine tourism development around the Clyde region, with a distinct focus on North Ayrshire and the outer Clyde aiming to generate opportunities for us and others to consider infrastructure investment cases that will underpin the marine leisure sector's sustainable growth and post-COVID recovery. Having not managed to recruit in two rounds of advertising we anticipate NAC will confirm an internal appointment from within the council for the Marine Tourism Development Officer post in June.

We have also now confirmed with British Marine and Sail Scotland financial and wider support for their 'Building the Backbone' marine tourism recovery partnership, which is scheduled for hard launch during the summer / autumn. A key component of this strategy relates to ensuring skills and training for the marine leisure sector is provided in a coordinated manner, with the University of the Highlands and Islands having been identified as one of the early partners. Combined with the launch of our boat-based marine tourism challenge fund on 21 June 2021, this represents a cohesive suite of initiatives being supported by Crown Estate Scotland in relation to the broad marine tourism and leisure sectors.

#### **16. Built Development**

The contract for the Whitehill Estate Planning and Engagement strategy has been tendered and a consultant has been appointed. This work is now underway.

George Street option appraisal consultants appointed, and surveys completed. Options appraisal now under development. The 4th floor tenant served a break notice for 29 March 2021. Heads of

terms were agreed with a new tenant and have been progressing via lawyers with a potential date of entry in August. Some difficulties over repairing clauses are being worked through which could mean that they withdraw. However, our position as landlord must be protected. The vacant 1st floor office suite is being marketed actively with some interest but nothing concrete yet. We have at last now received some certificated information on turnover from the retail tenant in relation to the COVID-19 rent reduction arrangement and are almost concluded on documentation which has proved a major challenge.

Montrose Zero4: Following the recent Investment Committee where the vision and next steps for the development of the site were agreed, work has commenced to procure a professional team to design a viable masterplan - building on good relationships and support from the local council - commissioning an energy strategy to feed into the infrastructure design, cost modelling and demand testing.

## **17. Rural land**

Following the Condition survey tender approvals in February, a phased work programme is now progressing grouping farms on the Glenlivet and Fochabers revenue and capital works. The contract on Whitehill estate has been completed and works on Applegirth were 90% complete at end April. Buildings at Heathfield, Broomhills and Brieryhill not accessible until stock put outside in June. Forty-one other individual condition survey farm building projects are also underway.

Of the 24 salmon fishing rights lease renewals due at January 2021 all but one of the new rents have now been agreed and leases signed and the final rent discussion is expected to be imminently.

We successfully concluded the sale of the River Spey Brae water solum and salmon fishings for [price exempt from publication under s33(1)(b) of the Freedom of Information (Scotland) Act 2022] at end March 2021. A significant and complex transaction due to the dynamic river movements and length of river and related titles and burdens involved. Conversations with the two angling associations regarding the exclusivity agreements are ongoing and both organisations are seeking to extend the timescale for reaching a decision given COVID-19 and other factors.

Glenlivet Estate tree planting contract was completed along with final delayed fencing work. Tenders for harvesting c.4200 tonnes at Inchnacape (Cpt 40 &1) were received and contracts awarded.

Restocking works have now been completed (ground preparation, planting, trees) for Applegirth Estate.

Scottish Ministers have now approved the planning application for the pump-storage hydro-electricity proposal on the shores of Loch Ness. Consequently, we are currently working with Anderson Strathern and QLTR (Queen's and Lord Treasurer's Remembrancer) to finalise the due diligence and to arrange formal transfer of the area of the bed of the loch as agreed.

## Board Paper

**Date of Meeting:** 30 June 2021

**Classification:** Unrestricted

**Subject:** 2020-21 Q4 performance dashboard

**Paper Number:** BD(2021)26.5

**Annexes:** **Annex A:** 2020-21 Q4 performance dashboard  
**Annex B:** Dashboard notes

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

**Presenter:** Esther Black

**Author:** Gemma Reynolds / 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

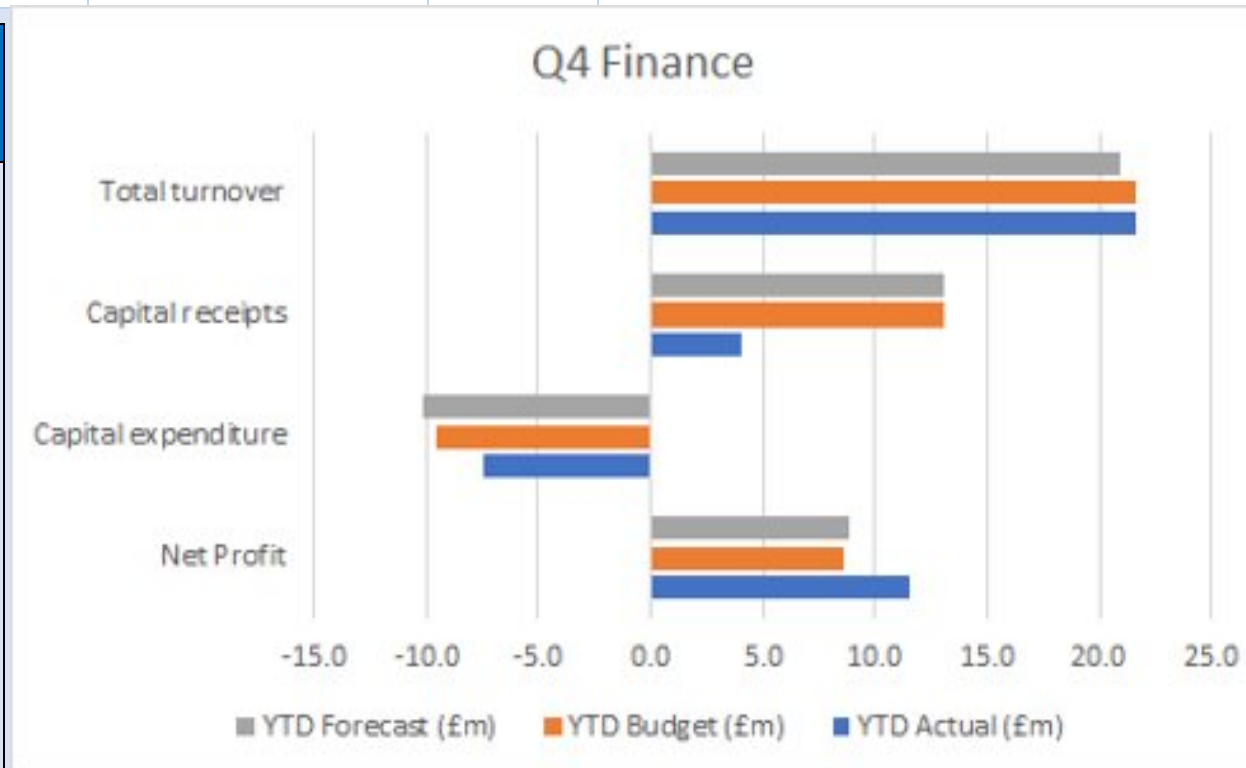
This paper provides overview of key metrics for 2020-21 Q4, plus notes.



## 2020-21 Business Plan (43 Green out of 58 total) – significant ambers and reds detailed below

No	Action	Measure	RAG Status	Notes
29	Complete phase 2 of the Glenmullach Peatland restoration project at Glenlivet.	Phase 2 complete.	<span style="color: red;">●</span>	No grant funding or support available from Peatland ACTION. Assessing alternative options to progress the project's long-term deliverable outcomes. Project moved to 2021/22.
33	Identify investment opportunities for renewables across four rural estates.	Feasibility study complete.	<span style="color: red;">●</span>	Feasibility study on potential at Nether Dallachy Landfill site completed (unviable financially) but Covid and other priority work have prevented progress on the wider objective this year. Carried into 2021-22.
42	Support Marine Scotland's roll-out of Regional Marine Planning Partnerships (RMPPs)	Support for RMPPs delivered.	<span style="color: red;">●</span>	MS has delayed roll out of RMPPs. Regional marine planning has recently been subject of review by parliamentary committee and MS will identify next steps based on the findings of the review.

Procurement Awarded YTD	Highlights
Direct: 57  MA procured on our behalf: 21	<ul style="list-style-type: none"> <li>- Arranged Managing Agents to be set up to use PCS to procure on our behalf.</li> <li>- Embedded the compliant use of quick quotes for procurements below regulated thresholds.</li> <li>- Concluded VEAT and direct award.</li> <li>- Published a VEAT relating to a variation to the Scotwind Evaluation Contract.</li> </ul>

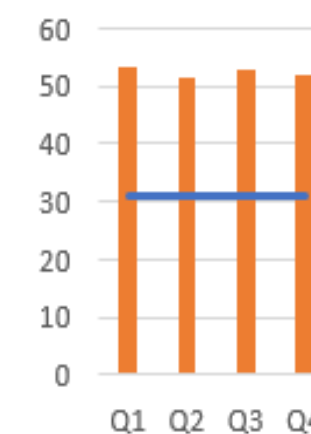


	Rural	Coastal	E&I	Aqua	Urban	Non-Rental
<b>Aged debt &gt;30 days</b>	£198,000	£225,000	£156,000	£37,000	£207,000	£18,000

## Top media stories by volume and reach

	Volume	Reach
<b>ScotWind (Leasing Round Extended)</b>	69	880,596,561
<b>ScotWind (Leasing Review Complete)</b>	28	534,869,738
<b>ScotWind (Leasing Round Open)</b>	82	36,619,668

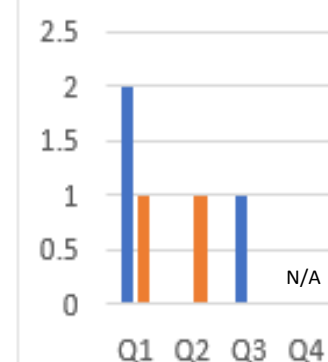
## FTE



YTD

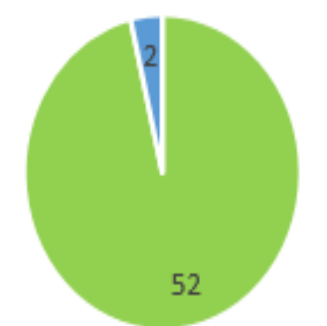
1 April 2017

## Accidents and near misses



Accident Near Miss

## Staff Contract Type



Permanent Fixed Term

## KPI

KPI	Q4 figures
1. Offshore renewables in seabed agreements	8.8 GW
2. Production capacity in new finfish agreements	0
3. Total capital committed	£6.3m
4. Capital committed to place-based projects	£2.6m
5. Capital committed to blue economy	£3.7m
6. No of projects promoting sustainable natural resource use	14
8. Net revenue profit	£11.5m

## FOI: Highlights and Trends

Total of 5 requests:

Asset Valuation information;

Participation in Stonewall Diversity Challenge;

Gender Information.

\*Still out for signing

	Rural	Coastal	E&I	Aqua	Urban
<b>No. of dealings/agreements</b>	46	30	3	0	2*
<b>No. of properties vacant</b>	46	N/A			1

## Annex B

### Crown Estate Scotland Dashboard - explanatory notes

#### Q4 2020-21

##### Business Plan – reporting by exception

<b>Amber status</b>	Partially delivered / delayed.
<b>Red status</b>	Target missed / abandoned.

##### KPI

<b>KPI in Corporate Plan</b>	<b>Definition</b>	<b>Corporate Plan 2023 target</b>	<b>Notes</b>
1. Offshore renewables in seabed agreements	GW capacity defined in options and leases	No specific target	Capacity may be consented or unconsented. Given long lead-times, options included as a leading-edge indicator.  Asset use classes: Offshore Wind; Wave & Tidal
2. Production capacity in new finfish agreements	Consented capacity in new leases, including renewals	No specific target	Consented capacity only. This will exclude most options but avoids counting capacity that will not gain consent.  Asset use class: Finfish Farming
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	£26m, indicative	This relates to the objective: Support the sustainable expansion of Scotland's blue economy, focusing on marine and coastal development



KPI in Corporate Plan	Definition	Corporate Plan 2023 target	Notes
	sheets for blue economy		Assets: Mainly Marine and Coastal, but also including projects in Built Environment with direct links to the blue economy.
6. No of projects promoting sustainable natural resource use	Approved Investor or Enabler projects promoting sustainable natural resource use	£3m capital, indicative	<p>This relates to the objective: Promote new sustainable ways of using natural resources to produce energy, food and other products.</p> <p>Capital or revenue projects associated with the following assets and asset use classes: Rural Land, Other Seabed, Seaweed, Shellfish Farming, Finfish Farming.</p> <p>Project may also be counted under KPI 7 if encouraging community involvement.</p>
8. Net revenue profit	Total net revenue in audited accounts	£24m revenue provided to SG	n/a

*NB for KPIs 4 and 5 these figures reflect an amended appraisal of the sums concerned – this has led to the reduced figures compared with 2020-21 Q3 dashboard.*

#### Financials

<b>Total turnover</b>	Total revenue income
<b>Capital receipts</b>	Receipts into the capital account
<b>Capital expenditure</b>	Expenditure from the capital account including surrender payments
<b>Net Profit</b>	Net profit distributable to Scottish Government

#### HR Stats

<b>FTE</b>	Sum of Full Time Equivalent compared to when CES began
<b>Staff contracts</b>	Comparing number of staff with permanent contracts and number of staff on fixed-term contracts
<b>number of agency staff or consultants (i.e. IR35 off-payroll)</b>	Number of agency staff or consultants during the reporting period



## Assets

<b>Number of new dealings/agreements</b>	Rural figures include Rural Estates and Mines Royal & Minerals
<b>No. of properties vacant</b>	Rural & Urban figures include only truly vacant land which could be let; does not include salmon fishing.
<b>Aged Debt</b>	Debtors overdue by >30 days
	Non-rental debtors' debts overdue by >30 days

## Stakeholder / reputation

<b>Top Media Stories</b>	By volume and reach – including the top 3 (ordered by reach)
<b>FOISA</b>	Highlights and trends found in requests for information, as responded to under the Freedom of Information (Scotland) Act 2002 and Environmental Information (Scotland) Regulation 2004

## Procurement

<b>Total award</b>	Total contract award in the year to date (when published on PCS)
<b>Highlights</b>	Key activities for the reporting quarter.

## Board Paper

**Date of Meeting:** 30 June 2021

**Classification:** Unrestricted

**Subject:** Annual Reports on FOISA responses and Complaints Handling

**Paper Number:** BD(2021)26.19

**Annexes:** Annex A: Information Requests 2020-21  
Annex B: Complaints Handling 2020-21

**Recommendation(s):** The Board is invited to note the content of this paper and the annexes to it.

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

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### 1. Purpose and context

The reports annexed to this paper provide the Board with information on our handling of information requests and complaints.

### 2. Background

As a public body, Crown Estate Scotland is committed to full compliance with:

- Freedom of Information (Scotland) Act 2002 ("FOISA")
- Environmental Information (Scotland) Regulations 2004 ("EIRs")
- Data Protection Act 2018.

The Report at Annex A is an annual report information requests received by the organisation in the period 1 April 2020 to 31 March 2021.

The guidance accompanying the Scottish Public Sector Ombudsman's model complaints handling procedure (CHP) requires the publication of an annual report recording information about complaints and any learning outcomes from those. The Report at Annex B gives information about the adoption of the CHP within Crown Estate Scotland and will be published on our website.

### 3. Recommendation

The Board is invited to note the contents of this paper and the annexes to it.

## Annex A

### Information Requests - Annual Report 2020-21

#### Background

The **Freedom of Information (Scotland) Act 2002** ("FOISA") provides a statutory right of access to recorded information held by Scottish public bodies, including Crown Estate Scotland, and incorporates the Environmental Information (Scotland) Regulations 2004 ("EIRs").

The **Data Protection Act 2018** provides individuals with enhanced rights about the use and storage of their personal data. These include requirements on an organisation to obtain specific consent to use personal; the right for individuals to see the personal data an organisation holds about them and the right to request that an organisation deletes their personal data.

#### Report

This report covers the period from 1 April 2020 to 31 March 2021 and summaries the requests for information received under FOISA and EIRs during this period.

#### Statistical Summary

##### FOISA and EIRs

	2018-19	2019-20	2020-21
Requests for information received	48	41	39
Requests for information responded to	44	41	38
Percentage of requests responded to within 20 working days (or within 40 days for a complex EIR request)	92%	98%	95%
Average response time (working days)	7.97	13.8	14.6
Number of reviews carried out	2	1	4
Number of cases appealed to the Scottish Information Commissioner	0	0	1
Decisions issued by the Scottish Information Commissioner	0	0	0

#### Operation of the FOISA and EIRs within Crown Estate Scotland

We do not include "business as usual" requests in these statistics. These are simple requests for information which are responded to promptly and directly with the requested information by the member of staff who receives the request.

All other information requests are handled by the Information Coordinator.

Requests from media sources (for example, journalists) are managed by the Director of Corporate Operations.

Our publication scheme is periodically updated and is available through the Crown Estate Scotland website. We also publish details of information requests received and our responses on the website.

## **Type of Information Requested**

Requests received included those seeking information on:

- land ownership, including foreshore and fishing rights;
- aquaculture leases, including finfish and seaweed;
- offshore wind leases;
- meetings with the Duke of Rothesay; and
- gender balance.

## **Appeals**

Following a request for information under FOISA or EIRs, an applicant has the right to request a review of Crown Estate Scotland's handling of their request if they are dissatisfied with the response received or if they feel that the organisation has not complied with their legal obligations. An applicant has up to 40 working days following receipt of a response in which to submit their request for a review.

We received two such requests for review in the period covered by this report. We treated two requests as though as reviews because we had missed the time period for responding to the original requests as a result of a failure to pass the request to the Information Coordinator.

Neither of the two requests for review were upheld and neither resulted in additional information being disclosed.

## **Cases appealed to the Scottish Information Commissioner and Decision Notices Issued**

In the event that a public authority fails to respond to a request or if the requester is not satisfied with the outcome of a review, there is a further right for an applicant to appeal to the Scottish Information Commissioner. An applicant has up to 6 months following the outcome of a review in which to apply to the Commissioner. Following a Decision by the Commissioner, an applicant who is still dissatisfied has a further right of review to the Court of Session, but on a point of law only.

We received one notification of appeals having been made to the Scottish Information Commissioner during the period of this report. The appeal was withdrawn before determination.

## **Requests under Data Protection legislation**

During the period 1 April 2020 – 31 March 2021 we did not receive any request from parties wishing to exercise any of their rights under data protection legislation.

## **Training**

Training on freedom of information and on data protection is given as part of the induction process for new employees.

## **June 2021**

### **Complaints Handling Procedure Annual Report 2020-21**

#### **Background**

1. The Public Services Reform (Scotland) Act 2010 gave the Scottish Public Services Ombudsman (SPSO) responsibilities and powers, specifically, to oversee the development of model Complaints Handling Procedures (CHPs) for each sector including Scottish Government. The main aims of the model CHP are early resolution of a complaint as close to the point of contact as possible and making best use of lessons learned from complaints.
2. As a public body, Crown Estate Scotland is required to adopt the two-stage model CHP, details of which are published on our website.

#### **Recording and Reporting**

3. It is a requirement of the SPSO's model CHP that organisations record all complaints and that reports detailing key performance information are submitted to the Executive Team and annually to the Board.

#### **Complaints**

4. In the period of this report nine complaints were recorded. All were responded to within the time period set out in the CHP.
5. The complaints received have related to the time taken to complete repairs on the Estate; the behaviour of managing agents; noise and light pollution from a tenant's facility; and the organisation's request for mooring payments during the COVID-19 lockdown period.
6. Four complaints were dealt with as stage 1 complaints (frontline), with five requiring to be dealt with as stage 2 (investigation) complaints due either to the complexity of the complaint or the requirement to secure third-party input.
7. Complainants are advised of their right to request an independent review of the outcome of their complaint. We have not received notification of any referral to the SPSO.

#### **Learning**

8. A key part of the CHP is that we learn from the complaints made to improve the service we offer. We are anticipating that receipt of information from our managing agents in the coming year will offer a better insight into dissatisfaction with our tenants and allow us to identify any improvements which can be made.
9. There is an indication in some of the complaints we have received over the past two years that our tenants are storing up complaints before coming to us. We are considering ways in which we can publicise the CHP and encourage tenants to let us know about problems earlier than some have been doing.

## **Training**

10. Training on the CHP is given to all staff as part of the induction process.

## **Revised CHP**

11. On 31 January 2020, the SPSO published a revised model complaints handling procedure for The Scottish Government, Scottish Parliament and Associated Public Authorities in Scotland with the requirement that it be adopted by 31 March 2021. Crown Estate Scotland adopted the new procedure with effect from 1 April 2021.

Training has been delivered to staff, with further sessions to be offered throughout the summer months. An initial training session has been held with managing agents and is being followed up with more detailed information. As part of their contract, managing agents are required to submit information to us on complaints and this information will be included in future reports. require that our complaints procedure is followed. We will require that

## **June 2021**