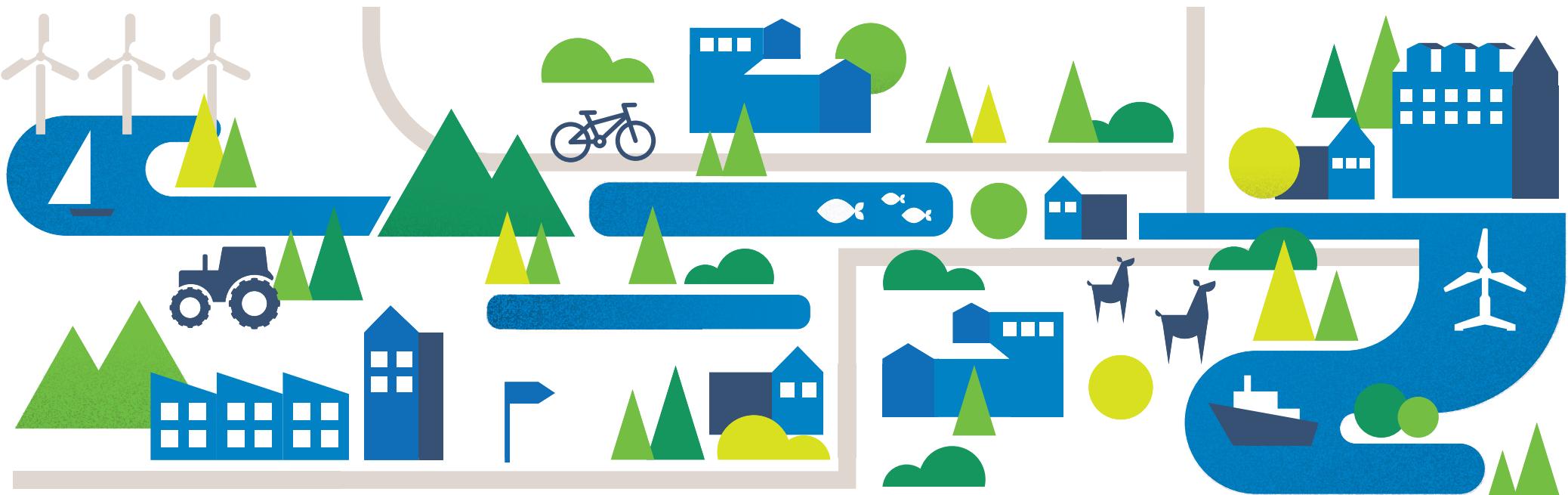


# Draft Corporate Plan 2020-23

For consultation August to November 2019



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# 1 Foreword

Welcome to this consultation on our draft 2020-23 Corporate Plan. Here we set out a range of suggestions and proposals on how we can invest in property, natural resources and people to deliver wider value for Scotland. We look forward to receiving your response and value your feedback.

This consultation comes when Crown Estate Scotland<sup>1</sup> is still a very new Scottish public sector body, established less than three years ago. However, we can trace a history going back centuries. Over time, how the assets – the Scottish Crown Estate – are managed, has and continues to evolve.

One of the most significant changes came in 2017 when management of the Estate was devolved to Scottish Ministers. New legislation, the Scottish Crown Estate Act 2019 ('the Act') provides for the assets to be managed in a way which delivers greater value beyond financial return and enables other bodies to take on management responsibilities.

Now, with the Act coming into force and our second corporate plan being developed, we want to signal an ambitious new approach. Our purpose is clear: investing in property, natural resources and people to generate lasting value for Scotland.

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

The assets are dynamic, they change according to how we decide to invest, sell, develop and lease. In turn, those decisions are impacted by changes and trends in demographics, commodities markets, legislation and policy, the environment, and technology.

And as global challenges relating to climate change, the economy, well-being and biodiversity intensify, they create significant opportunities for Scotland. The need to decarbonise the economy, find new ways of producing food and build resilient communities, require a joined-up approach across public, private and third sectors. Collaboration is therefore central to what we do, and we hope that you see that reflected throughout this consultation.

Another central feature is our financial strength and entrepreneurial approach. It forms the foundation for delivering regeneration and wider social, economic and environmental value. With Scotland now having more revenue-raising powers following the 2012 and 2016 Scotland Acts, Crown Estate Scotland is proud to contribute by returning all revenue profit to Scottish Government.

Our proposed plan sets out how we will continue this by raising and reinvesting capital to secure long-term revenue streams, including activity designed to help reduce Scotland's climate change emissions.

To guide us over the coming years, we've developed a strategic framework (see Section 2) bringing together our core values alongside a newly-defined purpose, vision and set of roles. This has been informed by feedback from staff, tenants and wider stakeholders, gathered through informal engagement and independent research.

Based on this framework and the wider policy priorities of Scottish Ministers<sup>2</sup>, we want to hear your views on our proposals for 2020-23.

These are set out under the themes of building the blue economy; developing the built environment; innovating with natural resources; building partnerships for people and the planet; and developing and deploying our expertise to benefit others.

We hope that you can offer your expertise, experience and insights to shape, improve and develop our suggestions so that we – Crown Estate Scotland, businesses, communities and tenants – can collectively develop an approach that realises the opportunities within our grasp. There is much to gain. Please take this opportunity to tell us what you think.



Amanda Bryan  
Chair  
Crown Estate Scotland (Interim Management)

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

<sup>2</sup> Scottish Ministers are also consulting on their Strategic Management Plan outlining how Scottish Crown Estate assets will be managed long-term. See Annex 1 and <https://consult.gov.scot/marine-scotland/scottish-crown-estate-strategic-management-plan>

# 2 Introduction and context

In this document we present our overall objectives (informed by stakeholder research and feedback) and propose how these may be delivered. We welcome your views and feedback on the suggested actions and potential targets.

The final plan that follows this consultation will be aligned with wider Scottish Government policy<sup>3</sup>. Indeed, the Estate provides significant opportunities to deliver on core Scottish Government priorities including creating a net zero emissions economy, supporting sustainable food production and working with others to help rural and coastal communities to thrive.

We therefore hope that this consultation generates responses from a broad range of stakeholders, reflecting the reach and importance of the issues and how they relate to Scotland's future.

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

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

In line with Scottish Ministers' duties in the Scottish Crown Estate Act 2019, Scottish Government are currently consulting on a Strategic Management Plan covering the entire Estate. A graphic showing the hierarchy of plans including Strategic Management Plan, Crown Estate Scotland's Corporate Plan and annual Business Plans is in Annex 2. A summary of the Scottish Crown Estate Act 2019 is in Annex 1.

## 2.1 How to respond

The consultation period runs from 31 August to 25 November 2019. Respondents can provide feedback on the draft corporate plan and / or the Environmental Report. The latter is provided as part of the Strategic Environmental Assessment, as per the Environmental Assessment (Scotland) Act 2005.

Please submit responses through <https://consult.gov.scot/crown-estate-strategy-unit/2020-23-corporate-plan>

<sup>3</sup> Including the Scottish Crown Estate Strategic Management Plan, the National Performance Framework, the Energy Strategy, the National Marine Plan, Climate Change Plan and the Economic Strategy

You can save and return to your responses while the consultation is still open (i.e. up until 22 November).

If you are unable to respond using Citizen Space, please download and complete the Respondent Information Form and send to Crown Estate Scotland, 6 Bells Brae, Edinburgh, EH4 1EJ or [corporate@crownestatescotland.com](mailto:corporate@crownestatescotland.com)

## 2.2 Handling your response

If you respond using Citizen Space, you will be asked to indicate how you wish your response to be handled, in particular whether you are content for your response to be published. You will receive a copy of your submitted response via email. If you ask for your response not to be published, we will treat it as confidential.

Please note that Crown Estate Scotland is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses. This applies whether or not you provide permission for your response to be published.

To find out how we handle your personal data, please see:

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

## 2.3 Next steps in the process

Following the closing date, all responses will be analysed and considered along with any other available evidence to help us.

Where respondents have given permission for their response to be made public, and after we have checked that they contain no potentially defamatory material, responses will be published at <http://consult.gov.scot>.

We will publish an analysis report and, at a later date, an explanation of how we have responded to feedback in our final plan.

## 2.4 Comments

If you have any comments about how this consultation exercise has been conducted, please send them to the contact address above or to [corporate@crownestatescotland.com](mailto:corporate@crownestatescotland.com)

# 3 Who we are and what we do

Crown Estate Scotland manages assets – seabed, coastline, rural estates and more – that stretch the length and breadth of Scotland. This section gives an overview about how we do that and what we aim to deliver.

## 3.1 Strategic framework

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

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

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

Scottish Ministers' draft vision for the Estate is that it is 'managed sustainably, responsibly and fairly, and in a transparent and inclusive manner, to deliver financial benefits and wider and long-term social, economic and environment benefits for Scotland and its communities'.<sup>4</sup> Our strategic framework aligns with this and reflects independent research and informal feedback from a wide range of tenants and stakeholders.

Broadly speaking, we have four different roles. Our vision encapsulates what we want to deliver for Scotland and the values provide the foundation for our behaviour as an organisation and as employees and non-executives. How we deliver is as important as what we deliver.

Our strategic objectives and outcomes reflect an increased focus on Scotland's blue economy and coastal regeneration, being an active investor in built environment, innovating in how we use natural resources to, for example, produce food, and building our enabler role through partnerships that benefit communities and the environment. Importantly, we also propose how Crown Estate Scotland is likely to develop and evolve our organisation, building our resilience, capacity and capabilities.

<sup>4</sup> See the consultation on Ministers' draft Strategic Management Plan at <https://consult.gov.scot/marine-scotland/scottish-crown-estate-strategic-management-plan>

<sup>5</sup> As at 31 March 2019, assessed by independent valuers. Figures have been rounded.

<sup>6</sup> This consultation covers all Scottish Crown Estate assets as these are currently managed by Crown Estate Scotland (see Section 2 for more).

The Estate is a unique mix of land, property and rights, with a total property value of £385.8m.<sup>5</sup> It includes ancient rights held by The Crown (e.g. wild salmon fishing) as well historically acquired property (e.g. Glenlivet Estate).<sup>6</sup>

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

Our [Framework Document](#) sets out our functions, responsibilities and powers. Our Chair and eight Board members, who are all non-executives, provide strategic direction and oversight. More on our governance structure is in Annex 3.

Ownership of the Estate lies with the Monarch and management responsibility sits with Scottish Ministers who in turn delegate to Crown Estate Scotland. As a public corporation, we are distinct from other forms of public bodies.

Our commercial activity is under direct Government control, Ministers appoint our Chair and Board, we appoint staff (who are not civil servants) and manage our own budget.

All our revenue profit goes to the Scottish Consolidated Fund and, ultimately, to Scottish Government to benefit the public purse. Capital remains the property of the Monarch and must be reinvested in the Estate.

## 3.2 Business model and management tools

Our success is intertwined with that of our tenants. We support them in helping them realise their ambitions, be that a farmer who wants to diversify, a renewable energy developer needing seabed to test innovative technology, or a port seeking to expand operations and capacity. In doing so, we help deliver wider social, environmental and economic value.

We also need to pro-actively identify and pursue emerging opportunities that will deliver revenue and capital growth as well as broader environmental and socio-economic benefits e.g. offshore renewable energy.

# Strategic Framework

## PURPOSE

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

## VISION

Communities and business thriving through enterprising and sustainable development of property and natural resources

## OUR VALUES

### Collaboration

Working with tenants, partners and other stakeholders for mutual benefit is at the heart of our approach. We want to play our part in helping local communities shape their futures.

### Excellence

We have a high-performance culture based on innovation, agility and continuous improvement. We meet best practice standards and guidelines.

### Integrity

We are open, respectful and responsible in what we do and how we do it. We take a long-term view and balance commercial, social and environmental considerations.

### Commercialism

We apply our commercial acumen to grow revenue and capital, helping our tenants succeed and supporting sustainable economic growth.

## ROLES

Our purpose, vision and values inform the work which we do in a variety of roles

### Investor

Investing in property, natural resources and people to generate lasting value for Scotland. This covers capital investment in, for example, property development, as well as developing our staff and building external partnerships.

### Enabler

Working with others to help them achieve their ambitions through access to property (e.g. leasing land and supporting community initiatives).

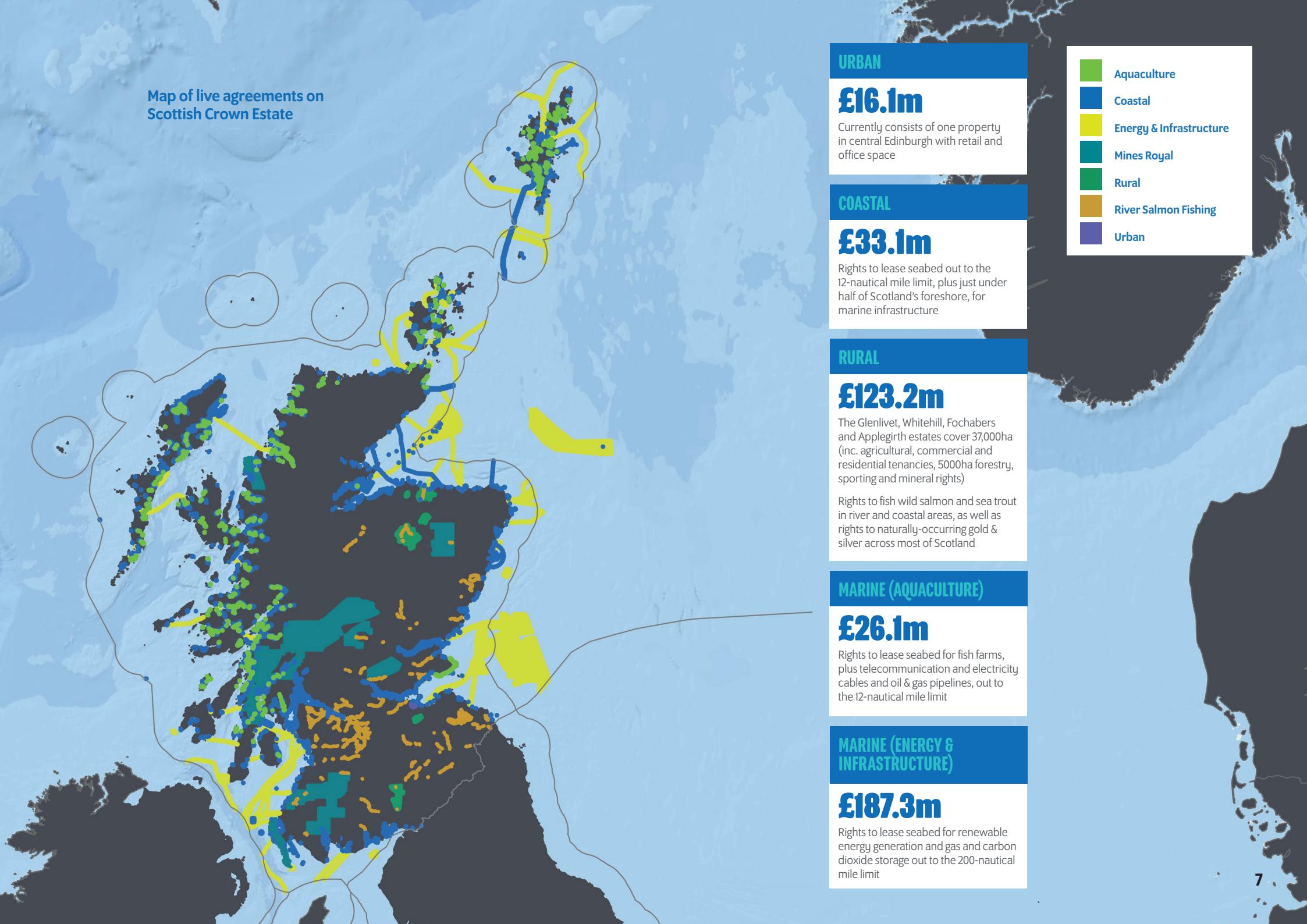
### Asset Manager

This relates to management of leases and agreements, as well as direct management of forestry and mountain bike trails.

### Coordinator

As the Act is implemented in the months to come, we stand ready to support other managers, for example, in coordinating information.

Map of live agreements on  
Scottish Crown Estate



We have approximately 45 staff working across different parts of Scotland. In time, we plan to co-locate some staff with other public bodies outside the Central Belt so we can work effectively with tenants and other partners, while maintaining a head office in Edinburgh.

We currently contract teams of managing agents to provide specialist expertise, property management services and support in rural and coastal areas. This gives us flexibility and access to a wide range of expertise whilst helping manage costs. This model will evolve to ensure we can deliver the 2020-23 Corporate Plan.

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

- Ensure a plan-led approach, leasing in line with statutory plans (e.g. Local Development Plans, sectoral marine plans etc) whenever there is one in place. This helps ensure that our activity is aligned with stakeholder / community interests and reflects considerations related to the environment, equalities etc.
- Create new opportunities for people and organisations in the public, private and third sectors.
- Be open and transparent while respecting commercial confidentiality.
- Encourage diversity in terms of who uses land and property.
- Encourage innovation.
- Manage risk, particularly in relation to health & safety, and ensures that the integrity of assets is protected.
- Delivers on our statutory duty as a manager of the Scottish Crown Estate to maintain and enhance the value of and income from the Estate

# 4 What we will deliver

In this section we set out our five proposed strategic objectives, associated outcomes, and financial and non-financial KPIs (reflecting our focus on generating wider value).

## 4.1 Overview

The table below sets out how our proposed strategic objectives and outcomes align with the National Performance Framework (NPF) and the UN's Sustainable Development Goals (SDGs).

In Annex 4, we list a wider set of indicators (which are also aligned to the NPF and the SDGs). These form part of The Value Project, a framework we are developing to identify the different types of value that our work and the Estate generate. This framework will then be used to provide evidence for decision-making. This is a key part of wider work to embed the duties in the Scottish Crown Estate Act 2019 and delivering on our purpose.

<b>1</b>	<b>STRATEGIC OBJECTIVE</b> Support the sustainable expansion of Scotland's blue economy, focussing on marine and coastal development	<b>2</b>	<b>STRATEGIC OBJECTIVE</b> Develop built environment that strengthens communities and benefits businesses
<b>KPI/s</b> <ul style="list-style-type: none"><li>GW renewables in seabed agreements</li><li>New and renewed/modified finfish development agreements (where related to increased production)</li><li>Investment capital committed (e.g. to ports &amp; harbours)</li></ul>	<b>KPI/s</b> <ul style="list-style-type: none"><li>Capital committed to place-based projects / activities</li></ul>	<b>OUTCOME</b> Vibrant places being created, supporting resilient communities and businesses	<b>NPF outcomes</b> Economy; Fair Work and Business; Communities; Environment
<b>OUTCOME</b> Support the sustainable expansion of Scotland's blue economy, focussing on marine and coastal development	<b>UN SDGs</b> <b>7</b> Affordable and Clean Energy; <b>8</b> Decent Work and Economic Growth; <b>9</b> Industry, Innovation and Infrastructure; <b>14</b> Life Below Water	<b>UN SDGs</b> <b>8</b> Decent Work and Economic Growth; <b>9</b> Industry, Innovation and Infrastructure; <b>11</b> Sustainable Cities and Communities	

<sup>7</sup> We have listed titles of outcomes only here. For fuller descriptions please see [Scotland's National Performance Framework](#)

**3**

## STRATEGIC OBJECTIVE

Invest in innovation and work with tenants to enable sustainable natural resource use

### KPI/s

- Number of projects promoting sustainable natural resource use and aligned with strategic objectives

### OUTCOME

Natural capital is enhanced and Scotland is developing new products and finding new ways of producing food

#### NPF outcomes

Economy; Fair Work and Business; Communities; Environment

#### UN SDGs

**8** Decent work and Economic Growth; **9** Industry, Innovation and Infrastructure; **12** Responsible Consumption and Production; **14** Life Below Water; **15** Life on Land

**4**

## STRATEGIC OBJECTIVE

Build partnerships for people and the planet

### KPI/s

- Number of projects supported (revenue, capital or staff resource) and aligned with strategic objectives

### OUTCOME

Range of projects delivering social and environmental well-being

#### NPF outcomes

Economy; Fair work and Business; Communities;

#### UN SDGs

**8** Decent Work and Economic Growth; **11** Sustainable Cities and Communities; **14** Life Below Water; **15** Life on Land

**5**

## STRATEGIC OBJECTIVE

Develop and deploy our people's expertise to deliver value and success

### KPI/s

- Staff, tenant & stakeholder satisfaction / feedback

### OUTCOME

Our team's expertise is recognised and we deliver on our commitments in the 2020-23 Corporate Plan (and underlying business plans)

#### NPF outcomes

Economy; Fair Work and Business; Communities; Environment

#### UN SDGs

**5** Gender Equality; **8** Decent Work and Economic Growth

Further KPIs:

- Net revenue profit against target
- Capital valuation
- Capital committed to investments (segmented by ports and harbours, built environment etc)

In the following sections we take each strategic objective and outcome and:

- Note our primary role(s); and
- Propose actions and high-level targets that will be refined in annual business plans.<sup>8</sup>

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

<sup>8</sup> More specific targets will be set out in annual business plans.

## 4.2 Strategic objective 1: Support the sustainable expansion of Scotland's blue economy, focussing on marine and coastal development<sup>9</sup>

Scotland's seabed is a strategic resource and a shared resource.

As action on climate change becomes increasingly hard-wired into economies around the globe, 2020-23 will see our coastal and marine activity grow especially in relation to creating a net zero emissions economy. We want this growth – in offshore renewables, aquaculture, coastal infrastructure – to deliver tangible socio-economic benefits to communities including good quality employment opportunities.

The first table here covers the blue economy as a whole reflecting the role we may play in connecting opportunities in different marine activities / sectors. The following tables cover two types of assets – Marine (Energy & Infrastructure, Aquaculture) and Coastal.

**Table 2: Blue economy proposed actions and targets**

NO.	ACTIONS	POTENTIAL BUSINESS PLAN TARGETS
1.	Help create and deliver overarching vision for Scotland's blue economy, in line with Scottish Ministers' purpose	Overarching vision developed with stakeholders
2.	Invest to support blue economy expansion	Opportunities identified and resource commitment in place, as part of wider investment strategy
3.	Deliver excellent tenant service and enable access to seabed to support established and emerging sectors	High level of tenant satisfaction <sup>10</sup>

### 4.2.1 Energy & Infrastructure

#### Primary role(s): enabler and asset manager

The Energy & Infrastructure team cover seabed leasing for offshore renewable energy (which is growing in revenue and value relative to other parts of the Estate) and for subsea cables and pipelines, which is key to Scotland's connectivity.

By enabling access to seabed for wave & tidal and offshore wind energy project developers, we play a key role in ensuring a reliable supply of affordable, low carbon energy.

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

Tenants also include those who provide critical infrastructure such as operators of cables and pipelines for oil & gas, electricity, and telecommunications.

9 We take a plan-led approach. Activity related to this objective will therefore be consistent with Scotland's National Marine Plan.

10 Based on overall tenant satisfaction scores from [2017-18](#) and [2018-19](#) baseline research (p8 and p9 respectively).

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

We work with local authorities, statutory nature conservation bodies and other stakeholders at an early stage before we grant a developer rights. Where there is a plan in place, we align leasing activities with that plan.

As the Offshore Wind Sector Deal and our ScotWind leasing round progress, we will facilitate and encourage supply chain growth and development. The ‘just transition’ (ensuring workers can secure jobs in low carbon sectors) can also be aided if Scotland’s subsea carbon capture and storage resource is exploited.

**Table 3: Energy & Infrastructure proposed actions and targets**

NO.	ACTIONS	POTENTIAL BUSINESS PLAN TARGETS
4.	<p>Invest in measures to remove sector-wide barriers to further offshore wind investment</p> <ul style="list-style-type: none"> <li>• Work with industry and stakeholders to accelerate and de-risk development (e.g. radar, O&amp;M, grid, consenting etc as appropriate)</li> <li>• Work with Marine Scotland in relation to timing of subsequent leasing cycles</li> <li>• Undertake leasing as required to help ensure Scottish deployment aspirations are achieved</li> </ul>	<p>Tenant and stakeholder surveys show support for our approach</p> <p>Decision taken on future leasing cycles</p> <p>Ongoing capital investment by developers as project developments progress</p>
5.	Enable access to seabed for new offshore wind development, supporting project pipeline and supply chain	<p>First cycle of Scotwind offshore leasing completed</p> <p>Options agreements in place</p>
6.	Work in partnership to develop existing and emerging technologies that offer significant potential value to Scotland (including infrastructure, wave & tidal, CCS (carbon capture and storage) and floating offshore), and identify new opportunities	<p>Progress in new opportunities demonstrated. This may include:</p> <ul style="list-style-type: none"> <li>• Further activity to address barriers to floating OW development</li> <li>• Programme of support rolled out to progress local energy systems (including incorporation of emerging technologies)</li> </ul>
7.	<p>Help ensure Scotland attracts offshore wind inward investment and realises socio-economic benefits through:</p> <ul style="list-style-type: none"> <li>• Providing leasing for a pipeline of projects and appropriately structured agreements (Scotwind)</li> <li>• Investing resource and expertise (e.g. contribution to SOWEC)</li> <li>• Supporting delivery of Scotland’s Offshore Wind Sector Deal aspirations</li> </ul>	<p>Leasing agreements in place to ensure a pipeline that will help Scotland achieve socio-economic benefits from offshore wind</p> <p>Offshore Wind Sector Deal delivery in Scotland progressed</p>

## 4.2.2 Aquaculture

### Primary role(s): enabler and asset manager

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

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

We propose a series of measures, including a review of our aquaculture leasing and terms, to help encourage use of the seabed that is sustainable, responsible and productive. This will help safeguard aquaculture businesses, many of which form a critical element of the Highlands & Islands economy.

Aquaculture actions below are designed to make best use of seabed, promote high standards (e.g. sustainability), and share the financial benefits (by, for example, appropriately reflecting seabed value in leases).

**Table 4: Aquaculture proposed actions and targets**

NO.	ACTIONS	POTENTIAL BUSINESS PLAN TARGETS
8.	<p>Contribute to the development of sustainable finfish production through:</p> <ul style="list-style-type: none"><li>• Supporting research &amp; development (R&amp;D) on sustainable finfish production ensuring efficient and responsible allocation of seabed</li><li>• Working with regulators and industry in relation to location of finfish sites,</li><li>• Identifying learnings from Local Management Pilots Projects (see Section 4.5) and share with others</li><li>• Providing guidance to developers as 'first point of contact' to assist in progressing optimal sites and minimising burden on stakeholders later in process</li></ul>	<p>Knowledge database developed (encompassing regulatory / policy / stakeholder considerations, natural heritage, marine user, and local terrestrial interest) that can inform pre-application consultation with and by prospective developers</p> <p>Suite of projects that contribute to sustainable finfish production delivered (in partnership with Marine Scotland)</p> <p>Work collaboratively with regulators and industry to have a robust, tested protocol in place to measure lice levels on wild fish in areas where farming takes place</p> <p>Collaborate with key stakeholders to agree an up-to-date definition of (sea-lice) management areas. This can then be applied to current and future developments.</p> <p>Lease requirements strengthened (e.g. requiring tenant to participate in area management agreements to enable effective implementation of Environmental Management Plans).</p>

9.	Strengthen economic feasibility of shellfish opportunities	Critical Mass pilot for either Argyll & Bute or Highland commissioned (tbc following current pilot)
10.	Contribute to Scottish Government review of seaweed harvesting regulatory regime	Agreed changes relating to our role implemented. Support provided for specific projects required to inform recommendations
11.	Improve co-existence between tenants to help promote higher standards both within and across sectors and help improve collaboration and potential business success	Informed advice, guidance and agreements (e.g. Special Purpose Vehicles) developed to facilitate co-existence and further collaboration of marine businesses. Secure at least two further area-based multi-trophic development agreements <sup>11</sup>
12.	Revise leasing terms to ensure lasting value for Scotland from seabed leasing for aquaculture	Root & branch review of all aquaculture sectors complete and implemented, with recommendations on how to revise terms of future leasing to appropriately reflect the value of seabed and changing status of different industries

### 4.2.3 Coastal

#### Primary role(s): investor and asset manager

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

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

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

As well as supporting offshore renewables and innovation in aquaculture, a strategic approach to ports & harbours and marine tourism combined with support for locally-led regeneration and sustainability will deliver long-term benefits for coastal communities.

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

Our agents based in communities around the west and north coast provide local expertise and advice. We support over 120 local moorings associations and recognise how critical these and other facilities such as pontoons are for local economies and for social and educational activities.

<sup>11</sup> Multi-trophic agreements are where shellfish or seaweed and finfish are located on the same site or in relatively close proximity. Shellfish and seaweed can use waste arising from finfish production to grow. This produces valuable biomass and reduces waste.

Activity related to the Coastal assets is diverse and often overlaps with our work in the Rural and Built Environment assets. Several key actions are listed here, others sit better in Table 5, others sit in other sections. To aid respondents, we list all actions on coastal in a table in Annex 6.

**Table 5: Coastal proposed actions and targets**

NO.	ACTIONS	POTENTIAL BUSINESS PLAN TARGETS
13.	Implement the three-year Coastal Asset Strategy to meet business targets, manage agreements efficiently and support the development of ports & harbours, maritime transport, oil and gas infrastructure, marine tourism, utilities and private/commercial development. <sup>12</sup>	Coastal Asset Strategy implemented. New agreements and renewals in place according to agreed timetables. Local partnership projects in place (see action 33)
14.	Work in partnership with stakeholders to identify opportunities for investment to grow revenue and capital value, deliver environmental and socio-economic benefits to coastal communities and contribute towards growth in the blue economy, with a focus on: <ul style="list-style-type: none"> <li>• Ports and harbours;</li> <li>• Boat-based tourism;</li> <li>• Coastal development land</li> </ul>	Capital committed, in line with wider investment strategy A pipeline of projects for investment agreed and under development
15.	Support local regeneration and sustainability, particularly in coastal areas, by rolling-out programme of support for projects that promote sustainable development and regeneration	Programme launched in 2020 the Year of Coasts and Waters (also see action 21)
16.	Improve business processes to ensure an effective and efficient service for our tenants, using IT solutions to support the development of high-quality tenant service and improved communication with our tenants and stakeholders.	Communications plan developed and implemented (aligning with wider changes to local partnership working and community engagement, see action 37); systems and processes developed and in place to support Coastal Asset Strategy and investment activity (actions 13 and 14)
17.	Review charging in relation to coastal infrastructure and facilities to fully align with our duty under the Act to promote sustainable development	Review complete and summary of charges (and rationale) published
18.	Complete the voluntary registration of uncontested Crown foreshore and continue to progress title conflicts in order to protect Crown Estate Scotland Assets and contribute to Scottish Government targets on Land Registration.	Uncontested foreshore registration complete.

12 Ports & harbours activity will align with Local Development Plans and the National Planning Framework.

## 4.3 Strategic objective 2: Develop built environment that strengthens communities and benefits businesses

### Built Environment

#### Primary role(s): investor

Built environment - commercial, residential and terrestrial development - is a key area for investment, drawing on our experience of working with private sector to build partnerships that also bring in public and third sectors.

The initial focus will be on the existing Estate, identifying opportunities to unlock and add value. However, we also want to consider new opportunities through acquisition and partnership working across private, public and third sectors.

Development opportunities that benefit communities and businesses, whilst contributing to our financial sustainability and growth, will be sought including potential regeneration projects in either rural or urban coastal areas.

The [Place Principle](#) will guide much of our work. As with our other activity, built environment development will be plan-led, aligning with Local Development Plans as appropriate.

**Table 6: Built environment proposed actions and targets**

NO.	ACTIONS	POTENTIAL BUSINESS PLAN TARGETS
19.	Pursue consents for appropriate planning uses on strategic land holdings and, where suitable, identify development delivery partners and design of delivery models.	Land and property values increased
20.	Implement development projects on the existing estate (likely to include a mix of uses including residential and industrial).	Land and property values increased
21.	Explore and further opportunities for joint development activities with partners, including coastal regeneration projects, as part of wider investment strategy.	Strategic partnership working in place Investment strategy implementation in progress

## 4.4 Strategic objective 3: Invest in innovation and work with tenants to enable sustainable natural resource use

Our support innovation for natural resource use will see us collaborate with tenants and sectors in farming, aquaculture and wild salmon fishing. Our proposals include protecting and enhancing Natural Capital, finding new ways of producing food on land and at sea, and exploring new market opportunities.

### Rural assets

#### Primary role(s): asset manager and investor

On the rural assets, which include four estates, rights to minerals, wild river fishings and more, we are both asset manager and investor.

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

This support for innovation has been informed by our rural assets strategy consultation which was carried out early 2019. Respondents also highlighted promoting biodiversity and reviewing how we engage at a local level as areas where we could do more, which we have worked into the proposed actions below. A summary of feedback from this consultation is in Annex 5 and the full consultation report is at <https://consult.gov.scot/crown-estate-strategy-unit/rural-assets-strategy/>

Measures to conserve and enhance wild salmon stocks and investment on the forested estate will also be delivered, recognising the social and environmental benefits that these sectors bring.

As well as activity on the rural assets, this objective also covers some actions related to seaweed and shellfish research, and marine litter.

**Table 7: Natural resource use proposed actions and targets**

NO.	ACTIONS	POTENTIAL BUSINESS PLAN TARGETS
22.	Support, promote and facilitate more diverse, sustainable, financially viable and resilient agricultural businesses through farm restructures, ongoing investment and by working with tenants to enable future farm business planning in response to changes in farm policy / economics.	Minimum of three new entrants or facilitation of succession to next generation Integrated Farm Management Business Plans promoted across core holdings At least three demonstrator projects with tenants in place Complete tenancy restructures / reorganisations NFUS's Joint Venture programme rolled-out with minimum two uptakes

23.	Promote sustainable use of natural resources and position Crown Estate Scotland as a leader in Natural Capital management in Scotland with a focus on biodiversity, soil and water health, biosecurity, carbon and environmental/ecosystem resilience.	<p>Natural Capital approach embedded by:</p> <ul style="list-style-type: none"> <li>• Delivering programme of support including workshops at each rural estate</li> <li>• Working with pilot projects to undertake assessments</li> <li>• Hosting conference showcasing national and international best practice</li> <li>• Completing Natural Capital assessment of Scottish Crown Estate, detailing Crown Estate Scotland dependencies and impacts on natural capital</li> <li>• Continuing work with agricultural tenants and other partners to embed Natural Capital approach in business management.</li> </ul>
24.	Carry out research and other initiatives to support long-term sustainability of the wild fisheries sector.	<p>Measures to help address wild salmon population decline implemented including research projects.</p> <p>Protocol in place to measure lice levels on wild fish in fish farming areas (see action 8)</p>
25.	Deliver rural asset strategy to enhance economic productivity and sustainability across rural properties and communities (including capital raised for re-investment, investment in infrastructure and repairs, woodland creation and environmental enhancement and improvements to residential properties).	<p>Conditions survey actions complete</p> <p>Initial feasibility completed and at least one renewable energy project progressed (potentially with joint investment by community)</p> <p>Complete sales of agricultural units / land in line with investment strategy (see Section 5) to meet budget target to raise capital for reinvestment.</p> <p>Capital committed to new or existing assets including infrastructure improvements and woodland creation in line with budget targets</p> <p>Natural Capital approach embedded (see action 23)</p> <p>Refurbish at least three residential properties</p> <p>Residential energy efficiency standards improved</p>
26.	Support innovation through co-investing with tenants / partners.	<p>Innovation challenge fund developed and launched (fund will be designed to open up opportunities to wide range of tenants / partners)</p>
27.	Increase local involvement in decisions relating to land through evidence-based estate plans (for Glenlivet, Fochabers, Whitehill and Applegirth). These will be developed by proactively working with tenants, communities, local councils and development trusts and other key stakeholders.	<p>Estate plans in place following best practice engagement (aligning with Scottish Government's Guidance on Engaging Communities in decisions relating to land and related Scottish Land Commission advice)</p> <p>Opportunities for rural housing development / housing improvements identified</p>

28.	Investigate new market opportunity for shellfish, for example, product and market opportunities for cultivated bivalve shellfish in biotech as well as food.	Project completed and recommendations shared with industry
29.	Investigate new market opportunity for economically feasible sustainable seaweed utilisation, particularly through cultivation. <sup>13</sup>	Project established, such as piloting a cultivated seaweed value chain, incorporating cultivators, food, marine biotech, energy and digestate utilisation to confirm economic viability
30.	Support new ways to prevent marine litter.	Trial two new methods / approaches of working with key sectors e.g. aquaculture to prevent litter entering Scotland's seas

## 4.5 Strategic objective 4: Build partnerships for people and the planet

### Primary role(s): enabler and coordinator

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

Feedback from coastal stakeholders in particular suggests that they would welcome support that helps communities to deliver sustainable development. We will therefore provide support, based on feedback from communities, local authorities and the third sector, that addresses barriers to realising local opportunities and projects.

We want meaningful collaboration with communities, working with them and their representative bodies to shape and deliver projects and initiatives. That requires us formalising our approach to community engagement and making a clear commitment to how we will work with others at a local level.

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

**Table 8: People & Planet proposed actions and targets**

NO.	ACTIONS	POTENTIAL BUSINESS PLAN TARGETS
15.	Support local regeneration and sustainability, particularly in coastal areas, by rolling-out programme of support for projects that promote sustainable development and regeneration.	Programme launched in 2020 the Year of Coasts and Waters.
31.	Contribute to Scottish Government valuation guidance for managers of the Scottish Crown Estate.	Written guidance available, helping equip new managers.

13 Seaweed cultivation is distinct from harvesting, the latter being subject to a review of the regulatory regime.

32.	Develop a community engagement strategy drawing on best practice and guidance from, for example, the Scottish Land Commission.	Strategy developed and implemented (as part of wider refresh of local partner engagement, see action 38) Potentially include supporting piloting of Local Place Plans as in Planning Act 2019
33.	Support and encourage local empowerment by <ul style="list-style-type: none"> <li>Helping implement Local Management Pilots Projects</li> <li>Assessing Pilots process and developing recommendations to inform how opportunities in the Act may be realised</li> <li>Supporting range of other partnership projects including Local Place Plans</li> </ul>	<ul style="list-style-type: none"> <li>Pilot projects implemented</li> <li>Review complete; recommendations shared to inform future devolution through the Act</li> <li>Range of other projects that deliver sustainable development in progress</li> </ul>
34.	Ensure decision-making processes and tools are inclusive and support delivery of wider value.	Tools and processes developed through the Value Project embedded and used to inform external reporting, engagement and communication Embed Islands Communities Impact Assessment in strategic decision-making

## 4.6 Strategic objective 5: Develop and deploy our people's expertise to deliver value and success

### Primary role(s): coordinator

Crown Estate Scotland is still a new organisation, less than three years old, and our team have managed significant change in recent years.

We are currently preparing for a smooth transfer to the new legal framework contained in the Act. The new legislation creates a wider remit for us as an organisation. We need the right capacity and capability in place to ensure we can make the most of the new opportunities it presents. We therefore anticipate a modest amount of further growth in number of staff that we employ, depending on the outcome of the 2019-20 review of outsourced / in-house capacity.

Here we have proposed organisational development priorities designed to strengthen resilience and fully deliver on those opportunities.

**Table 9: Delivering value and success - proposed actions and targets**

NO.	ACTIONS	POTENTIAL BUSINESS PLAN TARGETS
35.	Embed Health & Safety framework and culture of excellence across all business areas to ensure Crown Estate Scotland is an exemplar in H&S management.	Achieve appropriate accreditation for H&S management Ensure all relevant staff complete / refresh IOSH Managing Safely (or equivalent) training course.

<p><b>36.</b></p>	<p>Embed the duties in the Act and ensure ongoing alignment with Scottish Government policy through further development of processes and project management tools. These will support, assess, monitor and evidence Crown Estate Scotland activity including, for example:</p> <ul style="list-style-type: none"> <li>• individual transactions;</li> <li>• corporate plan implementation;</li> <li>• policy alignment; and</li> <li>• legislative compliance as new requirements come into force.</li> </ul> <p>This would include duties relating to furthering sustainable development, regeneration, social well-being etc as per Section 7 of the Scottish Crown Estate Act.</p>	<p>The Value Project processes and guidance developed and in use across the organisation</p> <p>Further changes to decision-making implemented to ensure alignment with the Act</p> <p>Tools embedded and used to inform external reporting and communication</p> <p>SEA monitoring plan implemented</p>
<p><b>37.</b></p>	<p>Enhance our communications in line with best practice guidelines, including digital communications, to help deliver excellent tenant service and wider transparency.</p>	<p>Review of digital communications complete</p> <p>Communications strategy implemented, including more bespoke tenant communications</p> <p>High levels of awareness and transparency evidenced in tenant and stakeholder feedback</p>
<p><b>38.</b></p>	<p>Refresh working practices relating to tenant and local partner engagement (taking into account the recommendations from the 2019-20 review of managing agents).</p>	<p>Priority recommendations implemented</p> <p>Strengthened local engagement approach in place</p> <p>Community engagement strategy in place</p>
<p><b>39.</b></p>	<p>Further strengthen governance and data management by:</p> <p>Embedding and implementing Records Management Plan and working towards reassessment</p> <p>Implementing recommendations from the 2019-20 independent review of Board effectiveness</p> <p>Conduct a review of corporate governance (including reporting) and implement any recommendations</p> <p>Conduct a review of information governance and of compliance with data protection legislation and implement any recommendations</p> <p>Develop guidance and protocols for access and use of records for other managers</p> <p>Progress digitalisation of records</p>	<p>Annual performance reports demonstrating progress published on our website</p> <p>Evidence submitted to Keeper of National Records of Scotland to support request for reassessment</p> <p>Recommended actions complete</p> <p>Review by internal audit complete</p> <p>Recommendations implemented and report submitted to Audit &amp; Risk Committee</p> <p>Review by internal audit complete</p> <p>Recommendations implemented and report submitted to Audit and Risk Committee</p> <p>Guidance and protocols in place and workshops / support rolled-out as required</p> <p>Action plan with targets developed and implemented</p>

40.	Land registration progressed to contribute to Scottish Government targets	Voluntary registration of rural assets and of uncontested foreshore complete
41.	<p>Implement our People Strategy aligned with Fair Work principles of security, respect, effective voice, opportunity and fulfilment. This will include:</p> <ul style="list-style-type: none"> <li>• Building the resilience, capacity and capabilities of our workforce</li> <li>• Developing new ways to ensure staff can influence decision-making</li> <li>• Carrying out an annual staff survey and implementing subsequent action plan</li> <li>• Involving the recognised trade union, PCS, in decisions relating to staff</li> <li>• Strengthening our commitment to equality and diversity</li> </ul>	<p>Changes from review of balance of in-house / outsourced support implemented</p> <p>Competency frameworks in place supported by learning and development programme</p> <p>Staff survey shows employees can influence decision-making</p> <p>Staff survey shows high level of engagement and job and employer satisfaction</p> <p>Equality and diversity monitoring in place; regular training delivered</p>
42.	Secure new alternative office accommodation based on 'smart working' principles and the need for increased external engagement / partnership working	Suitable accommodation secured and relocation complete

# 5 Investment strategy

Throughout this draft corporate plan we have outlined potential areas of investment that are in line with our statutory duties under the 2019 Act and the Climate Change Act 2009, and with our overarching purpose of ‘investing in property, natural resources and people to generate lasting value for Scotland’.

The built environment and blue economy (including ports & harbours) are proposed as the principal foci of our investment strategy. We will also invest in rural infrastructure and local partnership projects and ensure we meet capital expenditure needs on the farm and forest estate.

Decisions on investments will include non-financial criteria. For investments in relation to innovation and co-investment with local communities and bodies, we may adopt different financial tests. This would be balanced with other investment to provide an overall approach that aligns with our risk management policy and our statutory duties.

At this stage, we estimate total capital investment over the plan period at approximately £70m. This is based on raising £37m to add to our existing reserves through sales of coastal, rural and built environment assets. This is a bold programme of sales to release capital for reinvestment in a way that creates more opportunity for adding value both financially and in wider public benefit delivery. Not all assets can be sold. Most opportunities for sales are on the rural estates. An indication of how this capital raising target will be achieved is:

- £12m from marine assets, mainly linked to offshore renewable energy lease provisions.
- £1m from coastal assets, mainly related to dredging income.
- £14m from rural land assets, which includes farms, other agricultural land, forestry, fishing rights and mineral assets.
- £10m from built development sales and opportunities.

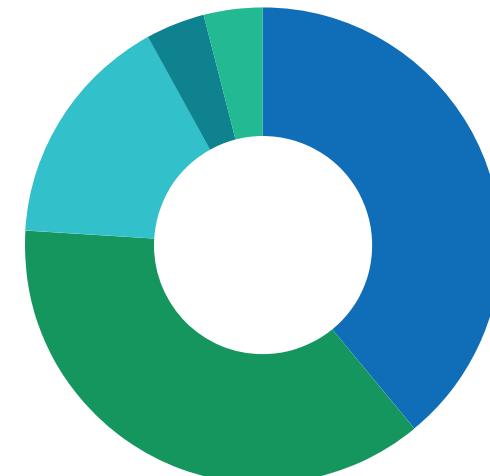
Agricultural assets make up about two-thirds of the value of our rural land assets and so sale of farms and agricultural land will form part of this strategy. We will work with our tenants to identify opportunities for capital release that fit well with our tenants’ aspirations.

## 5.1 Investment priorities

Below we indicate how that £70m may be apportioned between five different priorities. We will include a more specific breakdown in the final plan.

### Indicative investment priorities 2020-2023 (based on £70m capital investment fund)

- |   |   |
|---|---|
| <span style="color: blue;">█</span>       | Built environment                           |
| <span style="color: darkgreen;">█</span>  | ‘Blue economy’<br>(incl ports and harbours) |
| <span style="color: cyan;">█</span>       | Rural land<br>(incl terrestrial renewables) |
| <span style="color: darkblue;">█</span>   | Innovation with<br>natural resources        |
| <span style="color: lightgreen;">█</span> | Local partnerships                          |



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

Crown Estate Scotland supports the Place Principle<sup>14</sup>. The Place Principle is intended to provide a collective focus to support inclusive economic growth and create places which are both successful and sustainable. We recognise that to make a meaningful difference, we will need to focus our investment in just a few priority areas. We are open to what types of development are needed to unlock potential in these areas.

<sup>14</sup> <https://www.gov.scot/publications/place-principle-introduction>

We will work with local authorities and other potential partners to identify priority locations for investment and the types of development that can best meet our financial, sustainable development and regeneration objectives. Where appropriate, we will consider development of vacant and derelict land. Ports and harbours are catalysts for economic development through trade, transport links, servicing the blue economy and provision of tourism services. Given the close association between ports and harbours and the Scottish Crown Estate, we will work with government enterprise agencies and ports bodies to identify targeted investments where we can help release economic potential and bring significant benefits to coastal communities. Other blue economy investments may include offshore renewables.

Four distinct subsectors are emerging from initial scoping:

- Port infrastructure supporting the offshore wind sector;
- Deep water facilities for cruise liners and other sectors;
- Infrastructure supporting the boat-based tourism sector; and
- Development land associated with ports and harbours.

We will continue to invest in our rural land holdings, prioritising projects that add most value (financial and in relation to sustainable development). The initial

focus will be on infrastructure improvements for our farming tenants and rural business partners, including items identified in the 2018-19 condition survey. We will seek opportunities to invest in woodland creation where this makes best use of land. We also see potential in terrestrial renewable energy. We will also look to unlock potential as an investment partner with energy developers, tenants and communities, helping to tackle climate change.

Scotland's primary industries, including agriculture and aquaculture, face a time of unprecedented change. We will identify opportunities to co-invest in projects that innovate with natural resources, adapting to economic, social and environmental change and contributing to a sustainable future. We will engage with stakeholders on the formation of an investment challenge fund that will open up the opportunity for proposals to as wide a range of tenants and partners as possible.

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

The following draft investment criteria covers financial, risk, project and impact factors.

## 5.2 Proposed investment criteria

**Table 10: Proposed investment criteria**

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

## 5.3 Scoping and decision processes

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

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

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

As part of a wider initiative, Crown Estate Scotland is developing new decision processes to cover all operational decisions. Investment and major asset sale decisions will likely be amongst the most substantial decisions for these processes and will be influential in process design.

Business cases will be based on the Treasury Green Book '5 case model', recommended for use by the Scottish Public Finance Manual (SPFM). Each 'case' is interconnected, but distinct. The full business case should enable the organisation and its stakeholders to ascertain that proposals:

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

## 6 Summary budget

A summary budget will be included in the final corporate plan.

This will include:

- Minimum £8m annual revenue profit passed to Scottish Government
- Valuation increasing (taking into account any impact of other managers taking on assets through transfers and / or delegations).

At this stage, we estimate capital investment totalling approximately £70m by the end of the plan period. This is based on raising £37m to add to our existing reserves through sales of coastal, rural and built environment assets. Further detail on how this may be achieved is in Section 5.

These targets apply to Crown Estate Scotland-managed assets only. As our remit expands, careful management of costs will continue.

## 7 Good governance

A section on risk management and governance will be included in the final corporate plan. For current information on our approach, please see Section 3 of our 2017-18 Annual Report & Accounts. Our 2018-19 Annual Report & Accounts will be published on [our website](#) once it has been laid in the Scottish Parliament (anticipated September 2019).

# Section 8 Annexes

## Annex 1: Scottish Crown Estate Act 2019

### Scottish Crown Estate Act 2019

The new primary legislation governing management of the assets is the Scottish Crown Estate Act 2019 ('the Act'). This is in the process of being commenced. Until then, Crown Estate Scotland will operate under the Crown Estate Act 1961 but work within the spirit of the new Act.

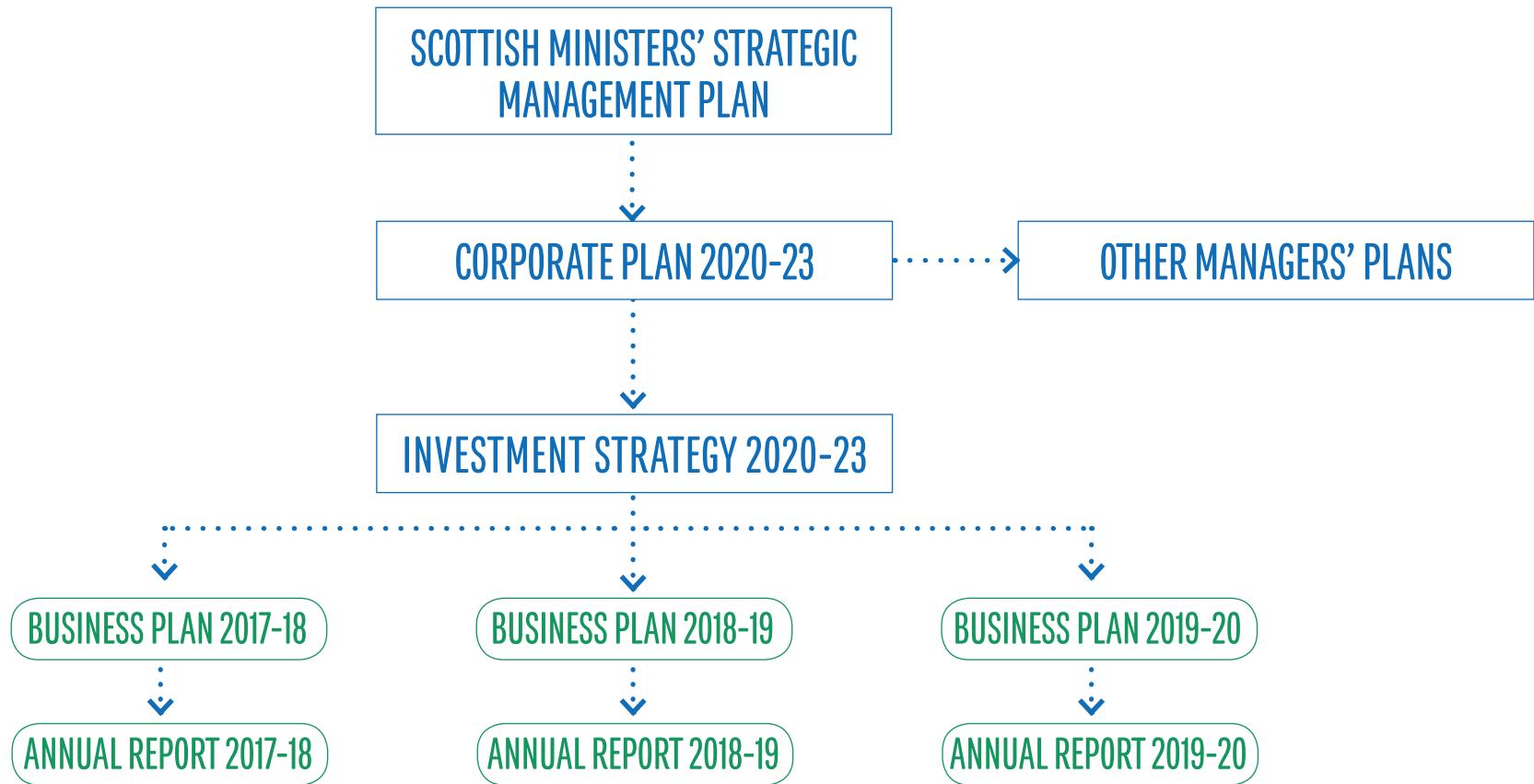
#### The Act

- Sets a duty on Scottish Ministers to develop a strategic management plan setting out Scottish Ministers' objectives, priorities and policies in relation to the management of the Scottish Crown Estate. All managers including Crown Estate Scotland are required to align their activities with this plan.
- Allows on a case-by-case basis for eligible bodies ('managers') (e.g. local authorities, Scottish harbour authorities, Scottish Ministers, other public bodies and community organisations), to take on responsibility for specific assets, potentially in partnership or with support from us (for instance, Crown Estate Scotland may act as coordinator of geo-spatial or financial information).

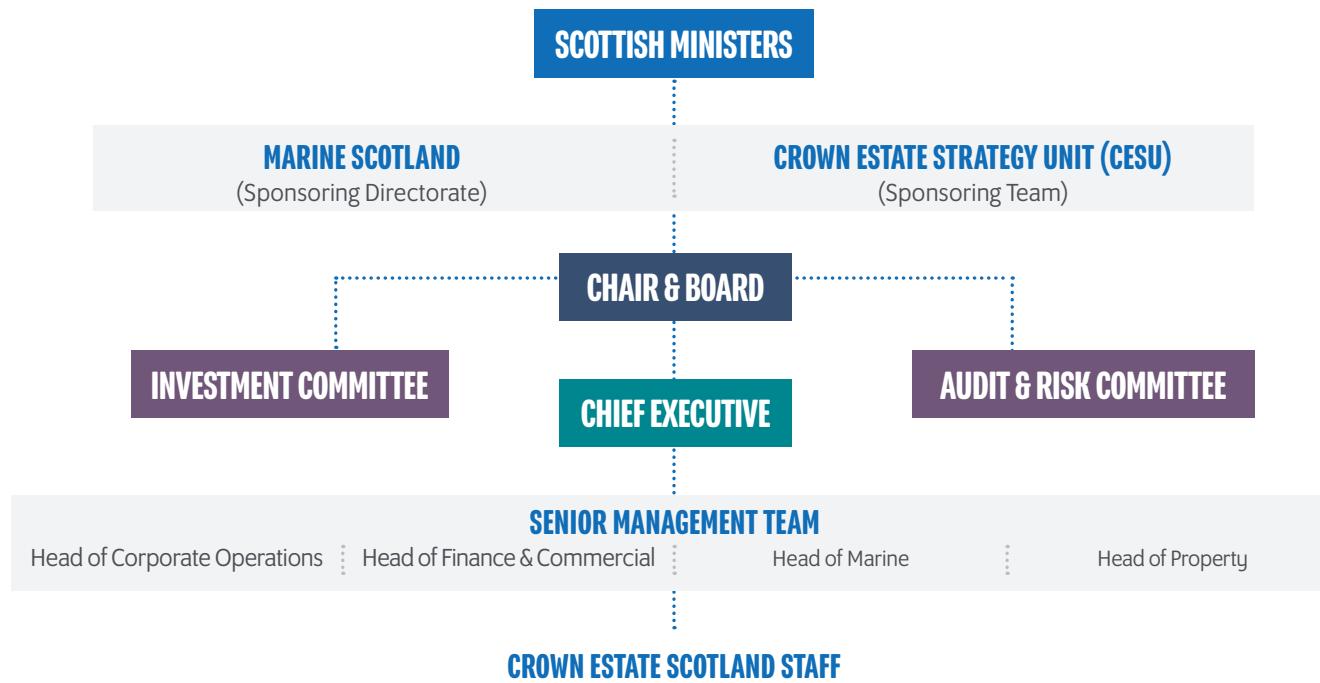
The Scottish Parliament also recognised that some assets may need to continue being managed at the national level.

- Sets a duty on all managers, including Crown Estate Scotland, to maintain and enhance the value of the assets in a way that supports sustainable development generally, and economic development, regeneration, social and environmental well-being specifically.
- Contains further provisions relating to managers' powers and duties, reporting, financial matters and compliance with Ministerial Directions. The Act therefore creates a new national framework to underpin a mix of national and local management of assets by different organisations and bodies in future.
- Removes the 'Interim Management' from our full name, signalling a long-term role for Crown Estate Scotland and helping give staff and tenants more certainty.

## Annex 2: Plan Hierarchy



## Annex 3: Governance structure



## Annex 4: Identifying and assessing value

Below we map the strategic objectives and outcomes to we list a wider set of indicators (which are also aligned to the National Performance Framework and the SDGs).

These form part of The Value Project, a framework we are developing to identify the different types of value that our work and the Estate generate. This framework will then be used to provide evidence for decision-making.

This is a key part of wider work to embed the duties in the Scottish Crown Estate Act 2019 and delivering on our purpose. More information on the framework will be published with the final 2020-23 Corporate Plan.

NO.	STRATEGIC OBJECTIVE (WITH KPI IN BOLD)	INDICATOR THEMES <sup>15</sup>	EVIDENCE	OUTCOME	ECONOMIC STRATEGY
1	Support the sustainable expansion of Scotland's blue economy, focussing on marine and coastal development  <b>GW renewables in seabed agreements</b>	National interests; new economic opportunities; skills; community participation; mitigation; biodiversity; regeneration integration	Evidence to support indicator assessments will be both quantitative and qualitative. Sources of evidence will be both primary data collected directly by Crown Estate Scotland and secondary data collected by public bodies (e.g. Scottish Government; SEPA, ONS, SMDI, SE, HIE, etc). Data for all assessments will be updated at least annually. Except for instances of commercial confidentiality, indicator assessments will be openly available. Performance against each indicator will be reported.	Scotland's communities, particularly coastal ones, thriving from a growing offshore renewables pipeline and an increasingly sustainable and resilient aquaculture sector	Inclusive growth; innovation; investment
2	Develop built environment that strengthens communities and benefits businesses  <b>Number of built environment investment projects</b>	Local economy; circular economy; health; skills, mitigation; adaptation; pollution; regeneration contribution; participation		Vibrant places being created, supporting resilient communities and businesses	Inclusive growth; investment
3	Invest in innovation and work with tenants to enable sustainable use of natural resources  <b>Number of projects with tenants</b>	Circular economy; new economic opportunities; skills; community participation; adaptation; biodiversity; pollution; regeneration integration		Natural capital is enhanced and Scotland is developing new products and finding new ways of producing food	Innovation
4	Build partnerships for people and the planet  <b>Number of projects supported (revenue, capital or staff resource)</b>	Circular economy; new economic opportunities; skills; health; mitigation; adaptation; biodiversity; regeneration integration		Range of projects delivering social and environmental well-being	Inclusive growth
5	Develop and deploy our people's expertise to deliver value and success  <b>Staff, tenant &amp; stakeholder satisfaction / feedback</b>	National interests; new economic opportunities; skills; community participation; mitigation; adaptation		Our team are known for contributing their expertise and collaboration to help partners, and staff have the opportunity to develop and acquire new skills	Inclusive growth

<sup>15</sup> Specific indicators will be customised according to the specific assets.

## Annex 5: Summary of Rural Assets Strategy consultation responses

In February 2019, Crown Estate Scotland [consulted](#) on the long-term objectives of managing the rural assets. We asked for views on how we should actively manage the assets to drive inclusive sustainable development.

The consultation was open online from 15 February to 26 April 2019. In total 33 respondents were submitted online, from 9 individuals and 24 organisations.

The responses provided constructive answers and suggestions to the 30 questions asked in the consultation document. In addition, some verbal feedback was gathered at community events.

An independent consultant carried out an analysis of the responses and a Consultation Analysis report (<https://consult.gov.scot/crown-estate-strategy-unit/rural-assets-strategy>) was published.

The core issues identified from the consultation responses are:

1. Crown Estate Scotland should consider ways to improve engagement across all areas of activity. This includes improving access to information, more transparency in decision-making and early and meaningful engagement with affected parties. More well-advertised public engagement events, with longer notice periods for strategic consultations, would be welcomed.
2. Crown Estate Scotland should be more closely aligned to national, regional and local strategies. A review of how Crown Estate Scotland delivers against these strategies would be a useful first step.
3. Crown Estate Scotland should consider reviewing the licencing of recreational activities such as gold panning on the Estate.
4. Respondents clearly stated their desire to see Crown Estate Scotland take a lead in improving biodiversity across the Estate including setting objectives for native woodland coverage. A review of woodland coverage on the Estate and the establishment of a working group to set objectives would assist with achieving this.

5. Respondents wanted to see greater consistency between the strategies, aims and objectives produced by Crown Estate Scotland and the enactment by managing agents. The publication of the rural assets strategy should assist with this. Publishing minutes of meetings or the circulation of a newsletter should also be considered.

This feedback to the Rural Assets Strategy consultation is reflected in the draft 2020-23 Corporate Plan. The final Rural Assets Strategy and final 2020-23 Corporate Plan will both be published in early 2020.

## Annex 6: Actions related primarily to Coastal assets

NO	ACTIONS	POTENTIAL BUSINESS PLAN TARGETS
1	Help create and deliver overarching vision for Scotland's blue economy, in line with Scottish Ministers' purpose	Overarching vision developed with stakeholders
2	Invest to support blue economy expansion	Opportunities identified and resource commitment in place, as part of wider investment strategy
3	Deliver excellent tenant service and enable access to seabed to support established and emerging sectors	High level of tenant satisfaction <sup>16</sup>
13	Implement the three-year Coastal Asset Strategy to meet business targets, manage agreements efficiently and support the development of ports & harbours, maritime transport, oil and gas infrastructure, marine tourism, utilities and private/commercial development. <sup>17</sup>	Coastal Asset Strategy implemented. New agreements and renewals in place according to agreed timetables. Local partnership projects in place (see action 33)
14	Work in partnership with stakeholders to identify opportunities for investment to grow revenue and capital value, deliver environmental and socio-economic benefits to coastal communities and contribute towards growth in the blue economy, with a focus on: <ul style="list-style-type: none"> <li>• Ports and harbours;</li> <li>• Boat-based tourism;</li> <li>• Coastal development land</li> </ul>	Capital committed, in line with wider investment strategy A pipeline of projects for investment agreed and under development
15	Support local regeneration and sustainability, particularly in coastal areas, by rolling-out package of support for projects that promote sustainable development and regeneration	Package launched in 2020 the Year of Coasts and Waters (also see action 21)
16	Improve business processes to ensure an effective and efficient service for our tenants, using IT solutions to support the development of high-quality tenant service and improved communication with our tenants and stakeholders.	Communications plan developed and implemented (aligning with wider changes to local partnership working and community engagement, see action 38); systems and processes developed and in place to support Coastal Asset Strategy and investment activity (actions 13 and 14)
17	Review charging in relation to coastal infrastructure and facilities to fully align with our duty under the Act to promote sustainable development	Review complete and summary of charges (and rationale) published
18	Complete the voluntary registration of uncontested Crown foreshore and continue to progress title conflicts in order to protect Crown Estate Scotland Assets and contribute to Scottish Government targets on Land Registration.	Uncontested foreshore registration complete.
21	Explore and further opportunities for joint development activities with partners, including coastal regeneration projects, as part of wider investment strategy	Strategic partnership working in place Investment strategy implementation in progress
30	Support new ways to prevent marine litter	Trial two new methods / approaches of working with key sectors e.g. aquaculture to prevent litter entering Scotland's seas
38	Refresh working practices relating to tenant and local partner engagement (taking into account the recommendations from the 2019-20 review of managing agents)	Priority recommendations implemented

<sup>16</sup> Based on overall tenant satisfaction scores from [2017-18](#) and [2018-19](#) baseline research (p8 and p9 respectively).

<sup>17</sup> Ports & harbours activity will align with Local Development Plans and the National Planning Framework.

## Annex 7: Actions related primarily to the Rural assets

NO	ACTION	POTENTIAL BUSINESS PLAN TARGETS
19	Pursue consents for appropriate planning uses on strategic land holdings and, where suitable, identify development delivery partners and design of delivery models.	Land and property values increased
20	Implement development projects on the existing estate (likely to include a mix of uses including residential and industrial).	Land and property values increased
22	Support, promote and facilitate more diverse, sustainable, financially viable and resilient agricultural businesses through farm restructures, ongoing investment and by working with tenants to enable future farm business planning in response to changes in farm policy / economics.	Minimum of three new entrants or facilitation of succession to next generation Integrated Farm Management Business Plans promoted across core holdings At least three demonstrator projects with tenants in place Complete tenancy restructures / reorganisations NFUS's Joint Venture programme rolled-out with minimum two uptakes
23	Promote sustainable use of natural resources and position Crown Estate Scotland as a leader in Natural Capital management in Scotland with a focus on biodiversity, soil and water health, biosecurity, carbon and environmental/ecosystem resilience.	Natural Capital approach embedded by: <ul style="list-style-type: none"><li>Delivering programme of support including workshops at each rural estate</li><li>Working with pilot projects to undertake assessments</li><li>Hosting conference showcasing national and international best practice</li><li>Completing Natural Capital assessment of Scottish Crown Estate, detailing Crown Estate Scotland dependencies and impacts on natural capital</li><li>Continuing work with agricultural tenants and other partners to embed Natural Capital approach in business management.</li></ul>
25	Deliver rural asset strategy to enhance economic productivity and sustainability across rural properties and communities (including capital raised for re-investment, investment in infrastructure and repairs, woodland creation and environmental enhancement and improvements to residential properties).	Conditions survey actions complete Initial feasibility completed and at least one renewable energy project progressed (potentially with joint investment by community) Complete sales of agricultural units / land in line with investment strategy (see Section 5) to meet budget target to raise capital for reinvestment. Capital committed to new or existing assets including infrastructure improvements and woodland creation in line with budget targets Natural Capital approach embedded (see action 23) Refurbish at least three residential properties Residential energy efficiency standards improved
27	Increase local involvement in decisions relating to land through evidence-based estate plans (for Glenlivet, Fochabers, Whitehill and Applegirth). These will be developed by proactively working with tenants, communities, local councils and development trusts and other key stakeholders.	Estate plans in place following best practice engagement (aligning with Scottish Government's Guidance on Engaging Communities in decisions relating to land and related Scottish Land Commission advice) Opportunities for rural housing development / housing improvements identified
40	Land registration progressed to contribute to Scottish Government targets	Voluntary registration of rural assets and of uncontested foreshore complete

In addition, some proposals in the investment strategy relate to rural estates. Below is a key extract from Section 5:

At this stage, we estimate total capital investment over the plan period at approximately £70m. This is based on raising £37m to add to our existing reserves through sales of coastal, rural and built environment assets. This is a bold programme of sales to release capital for reinvestment in a way that creates more opportunity for adding value both financially and in wider public benefit delivery. Not all assets can be sold. Most opportunities are on the rural estates. An indication of how this capital raising target will be achieved is:

- £12m from marine assets, mainly linked to offshore renewable energy lease provisions.
- £1m from coastal assets, mainly related to dredging income.
- £14m from rural land assets, which includes farms, other agricultural land, forestry, fishing rights and mineral assets.
- £10m from built development sales and opportunities.

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

## Annex 8: Assessments

This corporate plan is subject to a strategic Environmental Assessment under the Environmental Assessment (Scotland) Act 2005. The Environmental Report is published with this draft 2020-23 Corporate Plan at <https://consult.gov.scot/crown-estate-strategy-unit/2020-23-corporate-plan> and we welcome comment and feedback on it.

This plan will also be subject to an Equality Impact Assessment. In lieu of formal guidance on Islands Community Impact Assessments (as per Islands (Scotland) Act 2018), we are working with the Scottish Government Islands team to agree how to best assess this draft plan.