

Dear Mr Dey

Update on Crown Estate Scotland

Thank you for your letter of 5 October following up on our evidence session with the Committee on 26 September 2017. Our response is as follows:

Environmental responsibilities

As a responsible landlord - one which has a duty to increase revenue and enhance value with regards to 'good management' - we operate in a way which protects the assets long-term. We take a broad view of this responsibility, considering environmental / ecological, community and financial impacts of what we do and how we do it.

To further embed this in our decision-making and operations, we are working to develop a tool to measure and monitor environmental and other non-financial impacts of our business decisions. We will use this tool to inform more sustainable decision-making, helping us limit our environmental impact, and share with this tool with the SME and public sectors.

In all operations, we adhere to the relevant EIA, SEA and habitats regulations and require that our tenants also adhere to these.

In relation to biodiversity, we have worked closely with SNH to develop our biodiversity statement, setting out how our work contributes to the Scottish Biodiversity Strategy 2020 Challenge across ecosystem restoration, investment in natural capital, quality greenspace for health and education, conserving wildlife and sustainable management of land and freshwater. Full detail of this activity will be published shortly in our biodiversity statement, and we include a draft here as an annex.

In regards to aquaculture specifically, our lease agreements ensure that development only proceeds when all necessary statutory consents are in place. Our aquaculture leases include 'housekeeping' clauses that require equipment to be kept in good order and not cause nuisance on 'neighbouring subjects', and they refer to a requirement for tenants to maintain management agreements with neighbouring interests (fish farms) where these are in place.

Over and above carefully designing our leases with operators, we also enable / support / fund projects and forums that aim to improve knowledge of impacts and practices to mitigate them. We jointly commissioned the [Independent Review of Scottish Aquaculture Consenting](#), with Marine Scotland. Through participation in the Capacity Working Group (part of the Ministerial Group for Sustainable Aquaculture) we have put forward a view on the direction any changes should take, changes that will provide a greater level of on-going post-consenting accountability in dynamic environmental, technological and economic circumstances.

In relation to aquaculture, the current Town & Country Planning regime produces an upfront prescriptive set of boundaries that simply require compliance. This regime is based on principles or factors that apply in onshore planning, such as permanency and predictability, that do not apply in the marine environment. We therefore warmly welcome SEPA's increasing emphasis on producers managing their impacts 'beyond compliance' to encourage continuous improvement.

Further examples of our proactive approach to safeguarding the environment includes our commitment in our [Corporate Plan 2017-20](#) to further our understanding of marine natural capital and how that may apply to Scottish waters.

Capital

We were given guidance by Scottish Government that Crown Estate Scotland was to be self-financing. Similar to the approach taken by our predecessor body, we sell and generate capital returns from assets in order to raise funds for investment.

However, not all capital comes from sales. It also comes from other types of transactions such as certain types of lease payments, income from dredging activities and returns from capital investments. In addition, the [legislation which created Crown Estate Scotland](#) enables the business to make transfers from the revenue account to the capital account. The amount that can be transferred is calculated as nine per cent of the previous year's gross revenue. This percentage can be flexed by Scottish Ministers.

Capital is reinvested in assets that will generate income and enhance value now and in the future, supporting Scottish economic growth. We also incur capital expenditure complying with our lease obligations and in supporting sectors through, for example, enabling projects. This ability to cross-subsidise - funding growth / investments in one part of the business by generating income in others - is critical. Our approach to sales of agricultural units specifically is set out in our [farm sales framework](#).

This general approach is very much a continuation of how the Scottish portfolio was managed latterly when it was part of The Crown Estate. However, as a standalone body we have to be proactive in raising capital hence the 'pipeline of sales' that was discussed in the session on 26 September 2017. We are reviewing how we meet capital requirements as part of the development of our investment strategy which will be published in due course.

I hope the above information is useful in addressing Members' queries. Please do not hesitate to come back to me if you require anything further.

Your sincerely,

Amanda Bryan
Chair
Crown Estate Scotland (Interim Management)



**Crown Estate
Scotland**

Oighreachd a' Chrùin Alba

**Annex 1 to letter to Environment, Climate Change and Land Reform Committee (01/11/17)
SBS 2020 Challenge:
Crown Estate Scotland Delivery Statement (DRAFT)**

Crown Estate Scotland is a young organisation, albeit with a history that goes back centuries. We started operating on 1 April 2017 and, as an interim body, are tasked with managing the estate until new legislation implementing long-term arrangements comes into force. The business was set up following the Scotland Act 2016, and our legislative framework includes a duty to ensure 'good management' as well as securing best consideration. In practice, this means obtaining market value (for leases, sales and other transactions) while contributing to Scotland's economic, social and environmental well-being and prosperity.

The estate is a unique mix of land, property and rights. It includes the seabed, 590km square of foreshore (just under half of Scotland's total), rural land, commercial property and the rights to wild salmon fishing and naturally occurring gold and silver. Decisions about the estate impact thousands of businesses, communities, families and organisations – as well as the wider Scottish economy and environment. While we do not directly manage land and marine resources (other than forestry), we work with our business partners and stakeholders to support and facilitate activities that protect and enhance the natural environment on which our tenants' businesses and our business depend.

Sustainability and good stewardship of the assets under our management is key to our business. We will work with the Scottish Government, business partners and communities to encourage sustainable practices, and continue to invest in public access and education facilities to enhance the public use and understanding of the natural environment.

Crown Estate Scotland's assets are significant in supporting the delivery of Scottish Government objectives relating to the environment. The 'Six Big Steps for Nature' set out in Scotland's Route Map to 2020 inform our work and are integrated into our business planning. This is demonstrated by the work we do with our tenants on ecosystem restoration, woodland management, habitat and species management and the educational work delivered through our ranger service on the Glenlivet estate. Crown Estate Scotland is also supporting the 'Investment in Natural Capital' as set out in the 2020 Routemap, by developing a trial project for land based businesses in partnership with several other organisations.

We are working to develop a tool to measure and monitor environmental and other non-financial impacts of our business decisions. We will use this tool to inform more sustainable decision-making, helping us limit our environmental impact, and share with this tool with the SME and public sectors.¹

¹ See p11 of our 2017-2020 corporate plan, available at www.crownstatescotland.com

Annex 1. SBS 2020 Challenge: Crown Estate Scotland Delivery statement table

Big Steps for Nature		Contributing action	
<p>ECOSYSTEM RESTORATION</p> <p>2020 Challenge Outcome: Scotland's ecosystems are restored to good health so that they provide robust ecosystem services and build our natural capital</p>		<p>Crown Estate Scotland Overall role:</p> <p>Incorporate the importance of ecosystems into business development</p>	<p>Route Map Priority Projects:</p> <p>1. Restoration of peatlands</p> <p>2. Creation and restructuring of woodlands</p> <p>Targets:</p> <p>Peatland restoration programme underway</p> <p>Expand woodland cover- 100 hectares new in-hand woodland establishment</p> <p>Restructure woodlands to improve diversity.</p>
1.1	Encourage and support ecosystem restoration and management, especially in catchments that have experienced greatest degradation	<p>Work to restore Feith Musach peatland on Glenlivet Estate.</p> <p>Enhancement of existing woodland habitats.</p> <p>Creation of new woodlands including riparian woodland</p>	
1.3	Government and public bodies will work together towards a shared agenda for action to restore ecosystem health at a catchment scale across Scotland	<p>Work with relevant stakeholders to increase collaborative work streams on enhancement of the natural environment through research and working groups.</p> <p>East Cairngorms Moorland Partnership – Crown Estate Scotland's Glenlivet Estate will be a core land holding within this partnership, helping to contribute to the four aims of the Cairngorms National Park. The partnership will also contribute to enhancing woodland expansion, peatland restoration and priority species conservation.</p>	

1. 4	Establish plans and decisions about land use based on an understanding of ecosystems and take full account of land use impacts on the ecosystem services that underpin social, economic and environmental health.	Promoting consideration of natural environment and the Scottish Land Use Strategy as part of the development and management of land based businesses operated by our business partners.		
INVESTMENT IN NATURAL CAPITAL 2020 Challenge outcome: Natural resources contribute to stronger sustainable economic growth in Scotland and we increase our natural capital to pass onto the next generation.		Crown Estate Scotland Overall role: Trial Natural Capital Protocol on land based businesses	Route Map Priority project: 3. Undertake natural capital trial 4. Peatland restoration	Target: Increase awareness of Natural Capital within the land management community
2. 2	Use this index to influence decision-making and market-based approaches, so that wider monetary and non-monetary values for ecosystems are recognised and accounted for.	Undertake a trial of the Natural Capital Protocol on a land based business to outline the importance of ecosystems within the sector and help to influence management of soil, water, carbon and biodiversity within future business plans/development plans.		
2. 3	Undertake a major programme of peatland conservation, management and restoration	We aim to work with a tenant to restore the Feith Musach peatland (near Tomintoul) which has historically been used as a small scale commercial peat cutting site. Peat production has now ceased and a plan for restoration has been drawn up. Glenlivet ranger service working with local high school on annual basis to undertaken the MICCI project (Moorlands Indicators of Climate Change Initiative) on peatland sites, providing opportunity for citizen science work and promoting importance of peatlands.		

QUALITY GREENSPACE FOR HEALTH AND EDUCATION BENEFITS		Crown Estate Scotland Overall role:	Route Map priority projects:	Target:
2020 Challenge outcome: Improved health and quality of life for the people of Scotland, through investment in the care of green space, nature and landscapes		Continue to enhance the natural environment to increase the enjoyment of those visiting and living within it	5. Increase outdoor learning 6. Increase use of natural environment	Increase the use of the natural environment through improved infrastructure and increased understanding through information services
3.1	Provide opportunities for everyone to experience and enjoy nature regularly, with a particular focus on disadvantaged groups	<p>Work as part of the Highland Seashore Project to encourage local communities and visitors to learn about seashore wildlife.</p> <p>Where possible, ensure projects are targeted at disadvantaged and vulnerable people e.g. through our work with the Wilderness Foundation (see section 3.4 for further information).</p> <p>Maintain a network of waymarked trails across the rural estates (Glenlivet, Fochabers and Applegirth) that provide the infrastructure for people to enjoy and explore the countryside. In many places, this is accompanied by interpretation (e.g. leaflets, bird hides, information panels). At Glenlivet a ranger service is available who works with the community, schools and university groups to facilitate outdoor learning opportunities. They also organise open days, activities and guided walks throughout the year.</p>		
3.2	Support local authorities and communities to improve local environments and enhance biodiversity using green space and green networks, allowing nature to flourish and so enhancing the quality of life	<p>The Tomintoul & Glenlivet Wildlife group has been set up with support from Crown Estate Scotland's Glenlivet ranger service. Events for the group are organised regularly and the group is distributing a grant scheme for wildlife projects via the Landscape Partnership Project.</p> <p>At Glenlivet, staff work with local primary schools, assisting in school grounds works, and</p>		

	for people who live there	<p>providing tree planting opportunities for local schools.</p> <p>Working with Glenlivet community and Primary School to extend existing orchard on Crown Estate Scotland land.</p>
3. 3	Build on good practice being developed by the National Health Service (NHS) and others to help encourage greenspace, green exercise and social prescribing initiatives that will improve health and wellbeing through connecting people with nature	<p>Maintain mountain biking and walking trails at Glenlivet Estate, promoting the use of nature and the associated health benefits.</p> <p>Maintain a varied level of walking routes across the estates for public use.</p>
3. 4	Increase access to nature within and close to schools, and support teachers in developing the role of outdoor learning across the Curriculum for Excellence.	<p>Ongoing work undertaken by the Ranger team with schools, universities and colleges at the rural estates to share knowledge about the outdoor environment. Visits directly to schools also take place.</p> <p>Lead project sponsor and supporter of the 'Clyde in the Classroom'- encouraging school children to engage with nature and protect their local environment through outdoor learning.</p> <p>Working with Wilderness Foundation who organise residential courses for school children on our Glenlivet Estate, which include conservation work, estate management visits and wild camping. A pilot course has been held, with more planned for summer 2017.</p> <p>Host a Junior Ranger programme each year for local secondary school pupils at Glenlivet Estate.</p> <p>Continue to facilitate and support use of Crown Estate Scotland land for forest schools and develop our work with the Rosewell Development Trust and inner-city Edinburgh schools / Midlothian schools to provide outdoor learning opportunities.</p> <p>Continued development of the Forests for the Future online educational resource to</p>

		promote use of local greenspace and develop understanding and appreciation of the role of forests in mitigating climate change		
3.5	Encourage public organisations and businesses to review their responsibilities and action for biodiversity, and recognise that increasing their positive contribution to nature and landscapes can help meet their corporate priorities and performance.	<p>Increase the knowledge and understanding of Natural Capital and Natural Capital Protocol across the estates and the long-term benefits that this can bring to a business.</p> <p>Glenlivet Estate holds the Green Business Tourism Scheme gold award, for good environmental management. Ensure standards remain.</p> <p>Knowledge transfer with small and medium enterprises.</p>		
<p>CONSERVING WILDLIFE IN SCOTLAND</p> <p>2020 Challenge outcome: The special value and international importance of Scotland's nature and geodiversity is assured, wildlife is faring well, and we have a highly effective network of protected places.</p>		<p>Crown Estate Scotland</p> <p>Overall role:</p> <p>Enhancement of natural environments and key species within rural estates</p>	<p>Route Map priority projects:</p> <p>7. Enhancement of important habitats</p> <p>8. Management of key species</p>	<p>Target:</p> <p>Development of updated Biodiversity Action Plans for the rural estates</p> <p>Maintain Forest Stewardship Certification</p>
4.1	Ensure that the management of protected places for nature also provides wider public benefits.	Ongoing management of wildlife sanctuary at Applegirth Estate (internationally recognised for sand martin nesting banks) to enhance and protect natural environment for public enjoyment.		
4.2	Align habitat restoration on protected areas with national goals for improving ecosystem health, with local priorities determined at the catchment or landscape scales.	Ensure habitat restoration targets key species to enhance ecosystem health through Biodiversity Action Plans on the rural estates, and through enhancement and creation of woodland areas.		
4.3	Integrate protected areas policy with action for wider habitats to combat fragmentation and restore key habitats.	Incorporate protected species into Biodiversity Action Plans to enhance key habitats.		

4. 4	Develop a wildlife management framework to address the key priorities for sustainable species management, conservation and conflict issues, including reintroductions and invasive non-native species.	<p>Supporting monitoring and conservation management projects e.g. Scottish Wildcats, wading birds, black grouse and red squirrels.</p> <p>Crown Estate Scotland are certified under the Forest Stewardship Certification (FSC) Scheme. Ensure we remain compliant with biodiversity standards outlined within the scheme including creating opportunities for new woodland habitats.</p> <p>Development of Biodiversity Action Plans for rural estates, highlighting actions for priority species and habitats.</p> <p>Maintain Wildlife Estates Scotland accreditation for the Glenlivet Estate</p>		
4. 5	Involve many more people than at present in this work and improve our understanding of the poorly known elements of nature.	<p>Glenlivet Estate is working in partnership with the Cairngorms National Park to deliver and support the new Volunteer Cairngorms project.</p> <p>Work with the Mountains & People Project to deliver volunteer path repair days.</p> <p>Provide opportunities across our portfolio for volunteers, work experience placements and students to directly work alongside staff and gain an insight into environmental management / undertake student projects.</p> <p>Continue promoting the community wildlife reporting system set up at Glenlivet to develop the knowledge of local environments, and encourage Citizen Science.</p> <p>Deliver events and open days as part of the Cairngorms Nature Big Weekend event, involving people through guided walks, workshops, and volunteering activities.</p>		
<p>SUSTAINABLE MANAGEMENT OF LAND AND FRESHWATER</p> <p>2020 Challenge outcome: Nature is faring well, and ecosystems are resilient as a result of sustainable land and water management</p>		<p>Crown Estate Scotland Overall role:</p> <p>Working in partnership with tenants and communities to increase understanding of sustainable land</p>	<p>Priority projects:</p> <p>9. Promoting Biosecurity with tenants</p> <p>10. Management of SSSIs</p> <p>11. Flood prevention</p>	<p>Target:</p> <p>Creation of species management plan for native woodlands</p> <p>Increased awareness of</p>

		management	demonstration	biodiversity Increased collaborative working practices
5.1	Promote an ecosystem approach to land management that fosters sustainable use of natural resources and puts biodiversity at the heart of land-use planning and decision-making.	Facilitate habitat and species management plans for native woodlands (new and existing) through collaborative working.		
5.2	Ensure that measures taken forward under the Common Agricultural Policy encourage land managers to develop and retain the diversity of wildlife habitats and landscape features.	Work with tenants to balance improved agricultural development with increased biodiversity.		
5.3	Support 'High Nature Value' farming and forestry.	<p>Promoting biosecurity by working with Moredun Research Institute to improve the control of livestock diseases affecting cattle and sheep. With Moredun's Knowledge Transfer and Exchange Network, Crown Estate Scotland are helping farmers easily access materials that clearly outline best practice, with the overall aim of improving animal health and farm productivity.</p> <p>Maintain Forest Stewardship Certification.</p> <p>Landscape Partnership project at Glenlivet directly working with tenant farmers to promote enhancement of farmland for wading birds. Estate is facilitating site visits and examples of best practice through farm open days etc.</p>		
5.4	Put in place the management necessary to bring Scotland's protected areas into favourable condition and improve the	Remain aware of key areas of protection and work with stakeholder and land managers to ensure where possible these areas are maintained at a favourable level or improved where required.		

	ecological status of water bodies	Management of SSSI sites & other designated sites across Scotland, participate in SNH's landowners SSSI group. Ongoing internal site condition monitoring.
5.5	Ensure that biodiversity and ecosystem objectives are fully integrated into flood risk management plans, and restore wetland habitats and woodlands to provide sustainable flood management.	Working in partnership with others on the Tomintoul & Glenlivet Landscape Partnership to address flood management on the River Avon, and create a farm demonstration site of flood prevention techniques.
5.6	Restore and extend natural habitats as a means of building reserves of carbon and to help mitigate climate change.	Enhancement and creation of existing and new woodland areas. Development of programme for peatland restoration.
5.7	Provide clear advice to land and water managers on best practice.	Work with land managers and agents to ensure required support is in place to deliver best practice measures.

Partnerships

Given the nature of the work that Crown Estate Scotland undertakes, much of this involves working in partnership with other organisations, our tenants and local community groups to enhance the natural environment.

One example of this is the Natural Capital Project where we are working collaboratively with Scottish Natural Heritage, Scottish Environment Protection Agency, Scottish Land & Estates, the Scottish Forum on Natural Capital, the James Hutton Institute and SRUC (Scotland's Rural College). This project should allow for a wider understanding of the Natural Capital concept and benefit all organisations involved.

Crown Estate Scotland is working in partnership with the Cairngorms National Park, Tomintoul & Glenlivet Development Trust, Highlands & Islands Enterprise, RSPB and Spey Catchment Initiative on the Tomintoul & Glenlivet Landscape Partnership. Further work is being undertaken with Cairngorms National Park Authority in relation to the East Moorland Partnership and we are also working alongside them to deliver and support the new Volunteer Cairngorms Project.

There is ongoing work being undertaken by the Ranger team with schools, universities and colleges at the estates, and also working with the Wilderness Foundation. Crown Estate Scotland also participates in SNH's landowners SSSI group.