

## Supplementary Written Submission from Crown Estate Scotland

Dear Convener

**Environment, Climate Change & Land Reform Committee session, Tuesday 6 September**

Thank you for the opportunity to update Members in the session held last month. I hope that the Committee found the session informative and useful.

Please find below our response to the following enquiry:

- *How much the Crown Estate in Scotland spends each year on factoring provision?*
- *Details of all requests for joint capital investments with rural tenants in the last two years, and whether these have been taken forward and on what basis? Supplementary information on the monitoring of performance in responding to tenant requests.*

### **Factoring provision**

The Crown Estate takes a responsible, commercially-sustainable approach to active asset management.

With a very varied portfolio spanning the length and breadth of Scotland, our business model is based on a small core staff team working with third party managing agents who supply specialist expertise as is required. This prevents the need for a large in-house team that may not be properly utilised throughout the year. The correct arrangements ensure the business can access a range of professional specialisms across all elements of property and land management.

Collaboration is central to our approach and we use our managing agents to provide strategic on-the-ground support within the communities in which we work to maintain relationships and build trust.

On our rural estates, they work closely with tenants and our in-house team to improve our farming units and the viability of our tenants' businesses.

On the coastal estate, our agents include four community marine officers who are embedded in communities. They use their maritime expertise and engagement skills to help communities and locally-based organisations access and use coastal resources.

In energy and infrastructure, we manage offshore cables and pipelines agreements internally with support from managing agents, who use their professional expertise to liaise with current and prospective tenants and act on our behalf during lease negotiations.

Over the last three years (2013/14-2015/16) we have spent the following on core factoring services for our rural, coastal, and energy & infrastructure assets.

<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
£1,192,159	£1,157,857	£1,148,037

## **Rural tenants - joint capital investments & monitoring of performance**

As a landlord we take our responsibilities very seriously. These include obligations regarding the provision of and maintenance of fixed equipment at farming units.

We have a rolling repair programme, decided on a year-to-year basis, with our agents feeding in based on their discussions with tenants and knowledge of the units. We also carry out ad hoc / unplanned repair work which we ensure there is contingency budget for.

Recent emphasis has been on carrying out fixed wiring inspections and installing smoke and carbon monoxide detectors.

Any repairs needing to be commissioned are assessed by our local agents liaising with our central team.

Criteria that we and our agents normally consider for repairs include:

- Age of the structure;
- Health & safety considerations;
- Use – is it used seasonally, is it central to the unit as a functioning whole?; and
- Is a like-for-like repair the best solution? In some cases, the need for a repair prompts us to reconsider the whole unit and work with the tenant on a wider investment or restructure of the unit.

A summary of requests for joint capital investments with rural tenants in the last two years is enclosed below as an annex.

We hope that this information is helpful to members. May I take this opportunity to reiterate our appreciation for your continued interest in our work more generally, and would like to extend an open invitation to ECCLR Committee Members to visit any Scotland Portfolio sites to learn more about our work.

If we can be of further assistance, please do not hesitate to contact myself (details above) or Katherine Newlands at [katherine.newlands@thecrownestate.co.uk](mailto:katherine.newlands@thecrownestate.co.uk)

Yours sincerely

Ronnie Quinn  
General Manager  
**Scotland Portfolio**

## Annex: summary of joint capital investment requests from rural tenants

Estate	Farm	Year	Request	Investment
Applegirth	Dryfeholm	2014	Demolition of listed agricultural building (with listed building consent) on ground no longer fit for purpose and replaced with modern steel framed general purpose building of equivalent floor area in more suitable location.	A new building was provided and costs were shared between The Crown Estate and tenant.
Fochabers	Braes of Enzie	2014	New general purpose store building requested by tenant.	A new building was provided. The Crown Estate paid for the materials and the tenant provided labour.
Fochabers	Braes of Enzie	2014	Tenant requested landlord investment in an extension to farm cottage.	Not progressed as housing provision was fit for purpose.
Fochabers	Easter Bauds	2014	Proposed new general purpose building with 50kW roof mounted PV system by way of joint investment with the tenant.	The Crown Estate agreed to consider but works were not progressed by tenant due to health issues.
Glenlivet	Boghead Farm	2014	New agricultural building requested.	New building provided and costs were shared between The Crown Estate and tenant.
Fochabers	Newton	2014	New grain store requested.	New grain store was provided and costs were shared between The Crown Estate and tenant.
Applegirth	Dalmakethar & Broomhillbank	2015	Demolition of traditional steading building and replacement with modern general purpose building.	A new building was provided and costs were shared between The Crown Estate and tenant.
Glenlivet	Belnoe of Achnascraw	2015	Investment in upgrading farm access road.	Works to upgrade the access road were undertaken and the cost of works was split between The Crown Estate and tenant.
Fochabers	Cowfords	2015	Concreting of floor to	The Crown Estate paid for

			agricultural building.	the materials and the tenant contributed labour.
Fochabers	Kennieshillock	2015	New silage pit.	The silage pit was built. The Crown Estate paid for materials and the tenant provided labour.
Glenlivet	Lettoch	2016	Request for a new building.	The Crown Estate will provide a contribution & tenant has applied for young entrant grant funding.
Glenlivet	Mains of Auchriachan Farm	2016	Request for capital investment via a new building.	The Crown Estate to provide a contribution.
Glenlivet	Achnarrow	2016	Request for cattle court barriers.	The costs for the new barriers are being shared between The Crown Estate and tenant.
Glenlivet	Shenval	2016	Request for hard standing area for tenant's ancillary business.	The Crown Estate paid for materials and tenant provided labour.
Glenlivet	Belnoe of Achnascrew	2016	Sheep bridges requested.	The Crown Estate has agreed to pay for materials and the tenant will provide labour.
Glenlivet	Achnascrew	2016	Tenant requested landlord investment in an extension to the farmhouse on the basis of a 50:50 split of costs.	The extension was refused as the farmhouse is fit for purpose.
Glenlivet	Glenconglass Farm East	2016	A need for a new deer fence was identified.	The new fence costs were split equally between The Crown Estate, the farm tenant and the sporting tenant.
Fochabers	Newbigging	2016	Tenant requested improvement works to Dutch barn.	Costs have been shared between The Crown Estate and tenant. Improvement works are underway.