SUBMISSION FROM THE CROWN ESTATE

Introduction

The Crown Estate has provided written evidence to the Scottish Parliament’s first Scotland Bill Committee. In this submission, we have focused specifically on those questions raised in the current consultation process relating to The Crown Estate, whilst recognising that it would not be appropriate for us to comment on strictly constitutional matters.

1. The Scottish Crown Estate Commissioner

1.1 The Scotland Bill includes provisions that would put on to a statutory basis the appointment of a Scottish Crown Estate Commissioner for the first time. The Bill also requires the Chancellor of the Exchequer to consult Scottish Ministers before the Scottish Commissioner is appointed.

1.2 Although there has for many years been a Scottish Commissioner, The Crown Estate welcomes this change because it will put the position on to a permanent basis. It will also bring Scottish Ministers into the process of appointing the Scottish Commissioner.

2. Establishing a more formal relationship between The Crown Estate and the Scottish Government and Scottish Parliament

2.1 In the period since devolution, The Crown Estate has strengthened its relationships with the Scottish Government and Scottish Parliament through:

- Regular meetings and contact with Scottish Government ministers, officials and MSPs;
- Appearances before committees of the Scottish Parliament;
- The publication of an annual Scotland Report with financial and operational information, reviewed by the National Audit Office from 2011;
- The establishment of the Scottish Liaison Group (see 3.1 below);
- An annual event at Holyrood for Scottish Government Ministers, MSPs and business partners of The Crown Estate operating in Scotland, held by the Chairman, Scottish Commissioner and Chief Executive.

2.2 The Crown Estate has recognised for some time the need and its desire to strengthen still further working relationships with the Scottish Government and Scottish Parliament. The Crown Estate has therefore:

- Made a formal offer to meet the Scottish Government on an annual basis specifically to report on the preceding year, our future plans and to consult on our long term strategy;
• Offered to enter into a Memorandum of Understanding in order to establish a more systematic working relationship between the Scottish Government and The Crown Estate;
• Offered to meet two of the committees of the Scottish Parliament on an annual basis to report on our activities, plans and long-term strategy;
• Sought a joint commitment with the Scottish Government for the development of Scottish ports and harbours, of the kind we have with DECC and the Welsh Assembly Government.

3. Engagement with stakeholders in Scotland through The Crown Estate’s Scottish Liaison Group

3.1 The Scottish Liaison Group (SLG) was established by The Crown Estate in 2008 following The Crown Estate’s appearance before the Scottish Parliament’s Rural Affairs and Environment Committee. The SLG, which is chaired by the Scottish Commissioner, comprises 21 organisations, including CoSLA, who have an interest in The Crown Estate’s business in Scotland. This has improved communication and strengthened co-operation with our Scottish stakeholders.

4. The management of The Crown Estate in Scotland

4.1 The Crown Estate operates its business on a UK-wide basis. The reason for introducing this business model in 2002 was to allow us to utilise our expertise across the whole Estate and to enjoy economies of scale. We saw offshore energy in particular as an emerging industry. To enable us to capture the opportunity that it offered, it was important for us, and particularly for Scotland, that we create in-house expertise and that all of that is available to Scotland. We have now built a highly skilled and experienced energy team within The Crown Estate. The scale of our UK-wide marine energy remit enabled us to do this. The Crown Estate in Scotland also benefits from sharing our combined expertise in other areas of our marine, rural and urban interests.

4.2 In addition, this UK-wide business model creates financial efficiency by avoiding duplicated functions; facilitates communication; and involves all parts of the business in the formulation of corporate policy while ensuring that local circumstances are reflected in decision-making.

4.3 However we recognise that there is a call for more recognition of Scotland’s identity and needs in our business model. We have sought to embrace this already in the steps taken and offers made as set out in paragraphs 2 and 3 above.

4.4 Additionally, under our present structure, the Scottish Commissioner has specific responsibility to ensure that the Board is fully aware of, and gives
proper consideration to, Scottish interests. As part of this process he chairs
The Crown Estate’s Scottish Committee, a committee of the Main Board
which comprises the Scottish Corporate Leadership Team and The Crown
Estate’s directors. In Edinburgh, The Crown Estate’s Scottish Corporate
Leadership Team comprises senior members of staff who ensure that we are
responsive to Scottish issues and who maintain strong and co-operative
relationships with government, business and the local communities in
Scotland. In total we have 35 employees based in Scotland.

4.5 We are now working on producing a formal annual business plan for 2011/12
in respect of our activities in Scotland. This is in addition to continuing to
publish our separate Scottish Annual Report. These steps will further
enhance our accountability and transparency in Scotland, and will clarify our
engagement and alignment with Scottish Government policy. At the same
time Scotland’s access to all of our skills and resources and the economies
of scale we have achieved will not be diluted, which would otherwise be a
risk of simply creating a separate Scottish division.

4.6 We believe the actions set out in this submission, if adopted by the relevant
parties, substantively address the issues relating to the management of The
Crown Estate in Scotland which have been raised.

5. Proposed constitutional changes

5.1 Views have been sought on the proposal that there should be a change in
the constitutional status of The Crown Estate and that the administration and
revenues of The Crown Estate in Scotland be devolved to the Scottish
Parliament.

5.2 Members of the Scotland Bill Committee will understand that policy on
devolution is a matter for government and not for The Crown Estate. It
would not therefore be appropriate for The Crown Estate to comment.

5.3 This also applies to any other proposed changes to Acts of Parliament and
therefore to the proposal, which has also been made, that Scottish Ministers
should have a statutory right to be consulted on the exercise of the Secretary
of State’s power of direction.

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9 September 2011