Environment, Climate Change and Land Reform Committee

Scottish Crown Estate Bill

Written submission from National Farmer’s Union Scotland (NFUS) Crown Estate Tenants Working Group

1. The NFUS Crown Estate Working Group is formed of two tenant farmers of each of the four rural estates of Glenlivet/Auchindoun, Fochabers, Whitehills, and Applegirth.

2. In 2016 the group presented a mission statement on the aspirations for CES going forward. The mission statement remains relevant, and that the long-term stability and well-being of the rural estates and indeed the fabric of rural communities in which land managers/farmers reside is paramount going forward.

3. In 2018, the group was formalised via a formal voting process and constitution, with a view to ensuring that the agricultural tenants have a strong and coherent voice during the passage of the bill and into the longer-term future of the estate.

4. The group supports a national management structure for all CES assets but is concerned about the ability of devolving assets to community groups and local authorities. It is the group’s opinion that devolution be kept to a minimum. The group accepts that this does not fit with some of the Smith Commission recommendations but believes that; multiple managers – multiple cost.

5. Any proposal for more local control must be underpinned with robust guidance, financial acumen and planning so that the core asset of CES cannot be eroded but is safeguarded for the benefit of future generation.

6. The group also feels that the new board of CES must take a fundamental role in guiding the direction of the estate in tandem with the management team of CES. Ministerial involvement should be in an overseeing capacity.
**Question 1: Does the bill allow Crown Estate Scotland or a delegated manager to appropriately manage the Scottish assets?**

7. The group broadly supports the chosen framework for national management subject to caveats mentioned earlier on robust scrutiny on a case by case basis regarding further devolution of CES. Retention of CES as a national body will ensure that the estate has continuity and autonomy going forward, which the group supports.

8. The bill provision whereby an asset transferred to a community body be transferred back in the event of failure should ultimately be returned to the core portfolio of the estate under CES management.

9. The group is not in favour of too much local community or local authority involvement and believes that the estate is best served by retention of the national management structure where possible.

**Question 2: Does the Bill allow Crown Estate Scotland, or a delegated manager, to appropriately manage the Scottish assets?**

10. As noted, the group has reservations in relation further devolvement to local levels and would emphasize that any transfer of management should go hand in hand with full transparency and consultation with stakeholders. As such, the ability of the manager to transfer management functions without eroding the remainder of the estate must be underpinned by a robust framework.

11. In terms of the delegated managers as noted in the Bill, the Group retains its reservations over the ability of Local Authorities to have or obtain the necessary competence to manage assets such as agricultural units. The national management team of CES has provided a structure which the Group feel functions well and, in their interests, and as far as possible the Group wishes to see this retain most of management of the estate.
12. The Group has built up a good constructive rapport with the board and management team of CES. Meetings now occur twice yearly, this could constructively develop further going forward & satisfy some of the aspirations of the Smith Commission recommendations on tenant farming community involvement. It is possible to suggest that the working group template could work in other CES portfolio areas for additional consultative groups. This would be an alternative to “multiple managers - multiple cost” scenario by retaining national control with local input.

**Question 3: Are the managers’ powers & duties as listed in the bill appropriate?**

13. The group is content that the general requirement on managers to achieve market value is appropriate, but also agrees that the ability to depart from this where appropriate is also positive. This approach recognises the requirement for the estate to remain viable, whilst allowing it to have wider benefits and a more modern and flexible approach.

14. With reference to new entrants into farming, provision of subsidised rents could be valuable as it would demonstrate the commitment from CES in playing a key role in providing future opportunities for the younger generation.

15. Regarding future rent reviews for agricultural tenancies, the ability to take socio-economic and environmental factors provides the agricultural tenants with a level of comfort. This is particularly relevant given the uncertainty which faces the industry due to Brexit.

16. The group also feels that the duty in relation to preparation of management plans is entirely positive. In relation to acquisitions and disposals of assets, the bill as it stands contains a requirement to consult in relation to acquisitions-but not disposals. In the context of transparency and accountability, the group wishes to see a requirement to consult in relation to planned disposals.

**Question 4: Should any additional power or function of the Scottish Crown Estate not currently provided for in the bill be included?**

17. The group has nothing to add in this regard.
Conclusion

18. The submission from the group comes across as being negative towards devomax. The phrase – “multiple managers – multiple cost” – mentioned early in the submission is particularly relevant. Retention of national management as proposed by the bill is a solid foundation on which to ensure the long-term future of the estate.

19. To achieve that financial momentum and grow the portfolio to the benefit of all in Scotland. Due care and analysis must be taken regarding further devolution going forward.

20. The group has engaged regularly with CES and Scottish Government staff over the past year and is appreciative of the commitment from CES for an ongoing consultative approach. The group is keen that this continues and that it is recognised in any new structure as a valuable cohesive & representative voice going forward.