

CROWN ESTATES FUND UPDATE

1.0 INTRODUCTION

- 1.1 Marine Scotland has written to the council on the 28th September 2019 advising of the distribution of the Coastal Communities Fund. This fund is based on available Crown Estate lease income that is calculated retrospectively. The purpose of this report is to seek agreement to delegate the decision making process to the December Policy and Resources Committee to help determine which projects will be supported by the £1.158m share of the Crown Estates Fund that has been allocated to Argyll and Bute Council.

2.0 RECOMMENDATIONS

It is recommended that Council:

1. Agree that the distribution of the 2019/20 Coastal Communities Fund be delegated to the Policy and Resources Committee for their determination.
2. Note that a report will be presented to the Policy and Resources Committee with proposals for the allocation of the Fund that support coastal defences and flood works, projects currently underway or in development that are experiencing funding pressures or other liabilities affecting council infrastructure.

3.0 DETAILS

- 3.1 As members will be aware the council has been allocated £1.158m from the Crown Estates Fund distributed by the Marine Scotland. Marine Scotland has advised the Council in a letter dated the 28th September 2019 that the funds provided should, where possible, to be used for coastal community benefit this year so that benefits can be delivered as soon as possible.
- 3.2 Since then officers have been seeking further clarification via Scottish Government and COSLA on any conditions placed on this funding. It has now been confirmed that the funding is not ring fenced and that a proportion of the

funds can be carried forward where required, to ensure benefits are delivered for coastal communities. This clarification has only recently become available and it has not been possible to prepare a more detailed report on project proposals for this Council meeting. The aim is to start spending this funding in 2019/20 and delegation to Policy and Resources Committee is sought to enable that.

- 3.3 Scottish Ministers currently have no plans to issue further guidance to coastal local authorities on how the allocation in 2019-2020 should be spent however they may do so in the future. There is an expectation that there will be transparency and accountability on how the money is spent to deliver benefit to coastal communities. Marine Scotland is working with COSLA and the newly established Crown Estate Stakeholder Advisory Group to ensure that fit for purpose monitoring arrangements are put in place.
- 3.4 Marine Scotland has also advised that this fund is intended to be recurring but the formula for how it is distributed to Local Authorities may be reviewed and also the criteria on how it is spent in future years.
- 3.5 The Coastal Communities Fund that previously distributed this funding operated as a challenge fund and was distributed on the basis of bids submitted. Officer resource does not exist within the Council to run a similar challenge fund nor would it be possible to distribute any of the funding in 2019/20 using this approach. Given current workloads and the need to deliver the fund as quickly and efficiently as possible it is proposed that the fund be focussed on current council priorities and projects in development that support coastal communities. This will include coastal defences and flood works, projects currently underway or in development that are experiencing funding pressures and other liabilities affecting council infrastructure.

4.0 CONCLUSION

- 4.1 The award of Coastal Communities Funds direct to the Council is welcome. Marine Scotland expect the benefits to be realised for coastal communities as quickly as possible but no specific criteria on how the fund should be allocated has been provided and there is no intention to produce further advice in this financial year. Delivering benefits in this financial year is highly challenging given current workloads and it is proposed that the Fund be spent coastal defences and flood works, projects currently underway or in development that are experiencing funding pressures or other liabilities affecting council infrastructure.
- 4.2 Given the timing of the allocation, the time taken to obtain clarification on any conditions and the desire to spend a proportion of the funding this financial year it is considered that the most appropriate course of action will be to seek approval to delegate to the Policy and Resources Committee the decision on the allocation of the Fund.

5.0 IMPLICATIONS

5.1 **Policy** - The Fund requires to be spent for the benefit of coastal communities.

5.2 **Financial** - None arising from this report

5.3 **Legal** - No legal issues

5.4 **HR** - This will need to be resourced from existing staff.

5.5 **Fairer Scotland Duty:**

5.5.1 Equalities - protected characteristics: There are no equal opportunities implications.

5.5.2 Socio-economic Duty: It is intended that this Fund will have positive economic outcomes associated with each project being funded.

5.5.3 Islands: None arising from this report; future projects will have to be assessed against island community impact studies.

5.6 **Risk** - There is a risk that the Fund may not be fully delivered within the anticipated timeframes of Marine Scotland.

5.7 **Customer Service** - There are no customer service implications.

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