
CROWN ESTATE 2019 – 2023 ALLOCATIONS AND PROJECT UPDATES

1.0 EXECUTIVE SUMMARY

- 1.1 Scottish Ministers made a commitment in 2014 that they would provide 100% of the net revenue from Scottish Crown Estate marine assets out to 12 nautical miles to Local Authorities for coastal community benefit if management of the assets was devolved.
- 1.2 Scottish Government has written each year to Councils advising of the distribution of the net revenue generated from the Scottish Crown Estate's marine asset out to 12 nautical miles for their respective Council area. These annual revenue allocations are distributed in arrears following the finalisation of the annual accounts for the Scottish Crown Estate.
- 1.3 The expectation is that Local Authorities would use the funding for additional expenditure that specifically benefits coastal communities, with individual authorities making decisions on funding of projects to benefit coastal communities and being transparent and accountable to their communities and others for expenditure.
- 1.4 This report focuses on the last four tranches of payments paid to local authorities commencing in 2019/20 with the objective of ensuring that coastal communities benefit from the net revenue generated by the Scottish Crown Estate's marine assets. The allocation for each year relates to the net revenue generated from 2 financial years previous to the financial year the payment is received.
- 1.5 Over the last four tranches of payments to Argyll and Bute a total of £5,785,106.55 has been received. The Council is still awaiting confirmation of the allocation for this financial year (2023/24).
- 1.6 The annual payment made to each relevant local authority is based on the distribution method agreed by the Settlement and Distribution Group (SDG). It remains Scottish Governments preference that the allocations should be used to deliver coastal community benefit.

- 1.7 This report will updating members on the respective individual project allocations. In addition the report will provide an update on any subsequent changes made to the allocations as well as provide an update on progress of each of the projects. All projects, with the exception of the 2019/20 projects, are listed in Table 1.
- 1.8 The Crown Estate fund is targeted at the sustainability of coastal communities within the categories noted below and the Council has to advise how the funding is spent as part of the annual reporting requirements. Categories of expenditure are:-
- Environment Community
 - Climate Change
 - Economic Development
- 1.9 The funding can be used by the Council to deliver Council projects or can be provided as a grant to third sector organisations to assist in the delivery of a community project.
- 1.10 Where the funding is being provided as a grant a contract needs to be drawn up and issued and the grant and associated drawdown managed by officers of the Council.
- 1.11 The fund links closely to the ongoing reprioritisation focus of the Council, the Economic Growth service and Roads and Infrastructure Service, and associated Economic Strategy and Economic Recovery Plan. The fund also builds on and adds value to other investment funding including Place Based Investment Programme as well as regeneration and infrastructure initiatives taken forward by the Council.

RECOMMENDATION

It is recommended that Policy and Resources Committee:

- a) Note the allocation of Crown Estate funding provided from the period 2019-2023;
- b) Note the agreed allocation of the Crown Estate funding during the period 2019-2023 to the projects in Table 1 and paragraph 4.4;
- c) Approve the amendments to the funding allocation as detailed in paragraph 4.6;
- d) Note the update on each of the individual projects as detailed in Table 1;
- e) Agree to the continuation of delegated powers, as agreed in February 2023, to the Executive Director with responsibility for Development and Economic Growth to allow any subsequent amendment to approved Crown Estate grant allocations to ensure that any risk relating to having to payback any grant is minimised. This may involve swapping Crown Estate allocations with Place

Based Investment Programme (PBIP) allocations of grants against individual projects but would not affect the projects but simply the grant source.

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2.0 INTRODUCTION

- 2.1 Scottish Ministers made a commitment in 2014 that they would provide 100% of the net revenue from Scottish Crown Estate marine assets out to 12 nautical miles to Local Authorities for coastal community benefit if management of the assets was devolved. The expectation was that Local Authorities would use the funding for additional expenditure that specifically benefits coastal communities, with individual authorities making decisions on funding of projects to benefit coastal communities and being transparent and accountable to their communities and other for expenditure.
- 2.2 The purpose of this report is to updating members on the Crown Estate allocations for the years 2019/20, 2020/21, 2021/22 and 22/23 totalling £5,785,106.55 and the respective individual project allocations. In addition the report will provide an update on any subsequent changes made to the allocations as well as provide an update on progress of each of the projects. All projects are listed in Table 1 with the exception of the 2019/20 projects as these are detailed in paragraph 4.4.
- 2.3 Once members agreed the projects and allocations at the respective meetings of the Council and Policy and Resources Committee officers continually monitor the projects to ensure compliance with the criteria and timeframe.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Policy and Resources Committee:
- a) Note the allocation of Crown Estate funding provided from the period 2019-2023;
 - b) Note the agreed allocation of the Crown Estate funding during the period 20219-2023 to the projects in Table 1 and paragraph 4.4;
 - c) Approve the amendments to the funding allocation as detailed in paragraph 4.6;
 - d) Note the update on each of the individual projects as detailed in Table 1;

- e) Agree to the continuation of delegated powers, as agreed in February 2023, to the Executive Director with responsibility for Development and Economic Growth to allow any subsequent amendment to approved Crown Estate grant allocations to ensure that any risk relating to having to payback any grant is minimised. This may involve swapping Crown Estate allocations with Place Based Investment Programme (PBIP) allocations of grants against individual projects but would not affect the projects but simply the grant source.

4.0 DETAIL

- 4.1 The Scottish Government has written each year to Councils advising of the distribution of the net revenue generated from the Scottish Crown Estate's marine asset out to 12 nautical miles for their respective Council area. These annual revenue allocations are distributed in arrears following the finalisation of the annual accounts for the Scottish Crown Estate.
- 4.2 The annual payment made to each relevant local authority is based on the distribution method agreed by the Settlement and Distribution Group (SDG). It remains Scottish Government's preference that the allocations should be used to deliver coastal community benefit.
- 4.3 The Crown Estate fund is targeted at the sustainability of coastal communities within the categories noted below and the Council has to advise how the funding is spent as part of the annual reporting requirements. Categories of expenditure are:-
- Environment Community
 - Climate Change.
 - Economic Development
- 4.4 The Crown Estate allocation of funding for 2019-20 was £1,158,000. The Policy and Resources Committee on 17th December 2019 approved supporting a total of 4 specific projects namely Tobermory Railings Phase 1, Helensburgh Flood Mitigation, Rothesay Pontoons, Campbeltown Flood Defence Scheme with the remainder retained by Roads and Infrastructure Services as an earmarking fund to improve coastal roads, increase flooding resilience and/or undertake emergency works as appropriate. These projects are complete and the Crown Estate 2019/20 funding has been fully drawdown.
- 4.5 The Crown Estate allocation for the years 20/21, 21/22 and 22/23 amounts to £4,627,106.55 and a total of 28 projects were agreed by members at various meetings of the Policy and Resources Committee. The full list of each of the projects agreed along with the specific individual grant allocation is detailed in Table 1 along with an update on each project.

- 4.6 As members will note from the Table 1 it is proposed to move the £100,000 Crown Estate (CE) allocation against the Tobermory Harbour Wall and Railings project and instead setting it against the Rockfield project and move the £100,000 PBIP funding to the Tobermory Harbour Wall and Railings Phase 2 project making their overall PBI Programme support £200,000. This is to ensure that there is limited risk to funding given the CE funding is more flexible in regard to delivery timeframe and will allow Rockfield more time to progress their project without jeopardising the grant.
- 4.7 The challenge in respect of the funding has always been to identify projects that meet the criteria, and are able to be delivered within short timeframes with our limited staff resources especially given the sheer number of projects that are involved. Projects by their very nature are complex and even those that might be classed as small scale and involving smaller levels of grant can be challenging. Projects that are well advanced in regard to their scope, detail and costings and where there the necessary resources are in place have a much higher chance of being delivered and this in turn limits the risk to the Council. In addition projects that add value to works already undertaken and investment already made or that support Council objectives and policies can deliver a greater benefit.

5.0 CONCLUSION

- 5.1 The need to ensure delivery and spend combined with the large number of existing projects being delivered by the Council, make for a challenging environment. However there is no doubt that the Crown Estate funding has enabled more projects to be delivered that support our coastal communities, build on investment already in place as well as supporting new infrastructure investment supporting community wealth building and wider economic development of the area.

6.0 IMPLICATIONS

- 6.1 Policy – There is a need to comply with the Scottish Government guidance as outlined in the report. The expectation is that Local Authorities would use the funding for additional expenditure that specifically benefits coastal communities, with individual authorities making decisions on funding of projects to benefit coastal communities and being transparent and accountable to their communities and other for expenditure.
- 6.2 Financial – The Scottish Government expect that any funds will be committed and spent as quickly as possible.
- 6.3 Legal – None.
- 6.4 HR – Resourced from existing staff.
- 6.5 Fairer Scotland Duty:

- 6.5.1 Equalities - protected characteristics – None.
- 6.5.2 Socio-economic Duty – The Fund supports our coastal communities.
- 6.5.3 Islands – The Fund supports coastal communities and has the potential to align with, and add value to other funding programmes such as the Islands Programme, PBIP and RCGF.
- 6.6 Risk –The projects are continually monitored to ensure that funds can be spent and that the projects meet the criteria as set out by Scottish Government.
- 6.7 Climate Change – None arising directly from this report.
- 6.8 Customer Service – None.

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14 September 2023

For further information contact:

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APPENDICES

Appendix 1 – Progress of Projects