

# Scotland Bulletin

Autumn 2016

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Focusing our energies

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New Head of Property

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Shellfish sector holds  
sustainable potential

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# Key highlights

£10m

COMMITTED TO THE  
MEYGEN TIDAL ENERGY  
PROJECT

£450m

POTENTIAL VALUE OF  
MARINE TOURISM  
BY 2020

£10m

VALUE OF  
SCOTLAND'S SHELLFISH  
INDUSTRY

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Change, while  
exciting, brings its  
own considerations.

## Shaping our place

GARETH BAIRD,  
SCOTTISH COMMISSIONER

Welcome to our Autumn Bulletin. 2016 has been a busy year as we continue to prepare for devolution of The Crown Estate's Scotland Portfolio to Scottish Ministers, expected in Spring 2017, while continuing to deliver our very best customer service to thousands of tenants and businesses.

Change, while exciting, brings its own considerations and the future long-term makeup of The Crown Estate in Scotland is still to be decided.

As the Scottish Government has indicated, an interim body will be created to take over responsibility for the revenues and management of The Crown Estate in Scotland from April 2017. The Scottish Government will soon appoint a Chair and Board of the interim body and our team will continue to focus on delivering excellent customer service and working in partnership with stakeholders.

A consultation on the longer-term future of the business will be launched by the

Scottish Government in due course and I would like to take this opportunity to encourage you to respond to ensure your views are taken into account.

Our place within the Scottish Government is therefore taking shape and I look forward to seeing what happens next. I have been greatly heartened by the level of support for the work we do in Scotland and the appreciation of our role as stewards of assets across the country.

If you have any comments or queries about our work please do contact us – details can be found on the back cover.

*Gareth Baird*

Scottish Commissioner

# Focusing our energies

| RONNIE QUINN,  
GENERAL MANAGER

As managers of the seabed, The Crown Estate plays a vital role in the development of the offshore energy industry by awarding and managing leases, as well as working with developers to help reduce risk and make Scotland an attractive place in which to invest.

Scotland leads the world in marine energy, as well as in technologies such as floating wind, and both challenges and opportunities are presented by Scotland's unique marine environment. As such, the industry has the capability to make a major contribution to meeting our energy needs and reducing carbon emissions.

But the offshore renewables sector also faces significant challenges, including technological and environmental issues,

subsidy changes and the need to reduce costs to ensure it is profitable and remains attractive to investors.

It was never going to be the case that every developer and every project would be successful. Developing offshore renewable energy projects is an expensive and lengthy process and not one to be undertaken by the easily discouraged or those seeking an instant profit.

“

Our objective, which we share with government, is to support the development of a resilient and competitive offshore renewables industry.

Projects still have to meet a series of challenging tests, securing the finance necessary for consenting and design work, and then the finance to build the installations offshore. It remains critical that costs are low enough to attract investors and secure public sector funding.



Our objective, which we share with government, is to support the development of a resilient and competitive offshore renewables industry – one that will secure the confidence of investors. The recent green light for the £2.6 billion Beatrice offshore wind farm in the Moray Firth, one of the largest ever private investments in Scottish infrastructure, alongside the projects detailed overleaf, is evidence of good progress.



£2.6bn

CAPITAL INVESTMENT IN THE BEATRICE OFFSHORE WINDFARM PROJECT BY ITS OWNERS



160

OFFSHORE WIND TURBINES OPERATING OR UNDER CONSTRUCTION IN SCOTLAND



19

WAVE AND TIDAL SITES IN SCOTLAND



480,000

HOUSEHOLDS IN SCOTLAND SET TO BE SUPPLIED BY OFFSHORE WIND ENERGY BY 2019

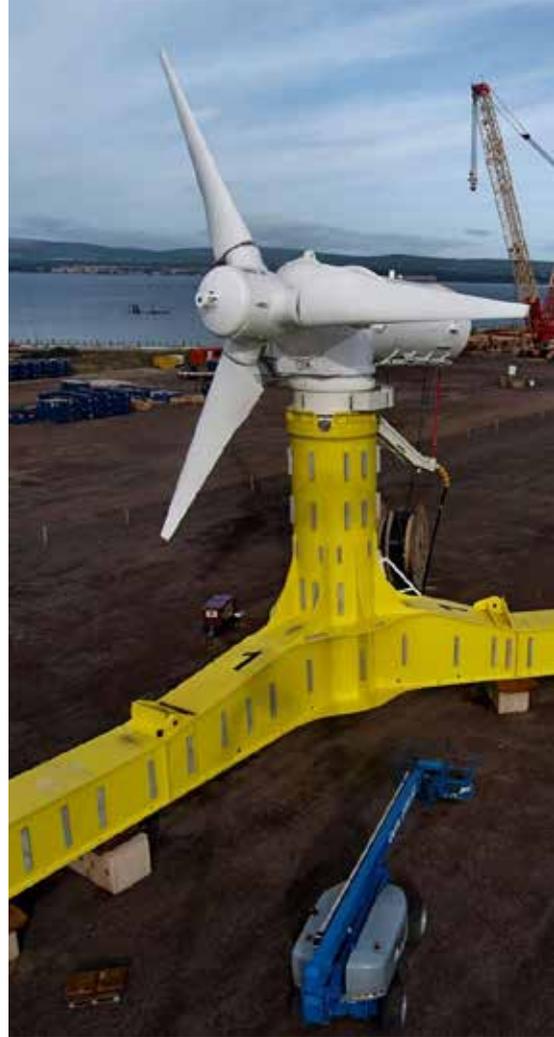
# Atlantis and MeyGen - turning the tide

The launch of the world's first large-scale tidal energy farm in September was hailed as a "significant moment" for the sector by First Minister Nicola Sturgeon.

A turbine for the MeyGen tidal stream project in the Pentland Firth was unveiled at the Nigg Energy Park outside Inverness, with the device measuring some 15 metres tall with blades 16 metres in diameter and weighing in at almost 200 tonnes.

After the ceremony, the turbine began its journey to the project site in the waters off the north coast of Scotland between Caithness and Orkney. The turbine, which has since been installed and generating electricity, is the first of four to be installed underwater in the initial phase of the project, each with a capacity of 1.5 megawatts (MW).

The installation and generation of the first electricity comes just months after Nova Innovation's two-turbine Bluemull Sound



1st

WORLD'S FIRST LARGE-SCALE  
TIDAL ENERGY FARM



£10m

COMMITTED BY THE  
CROWN ESTATE (TO BE  
PAID BY APRIL 2017)



398MW

TOTAL ESTIMATED CAPACITY  
OF THE PROJECT



The UK has some of the best wave and tidal current resources in the world.

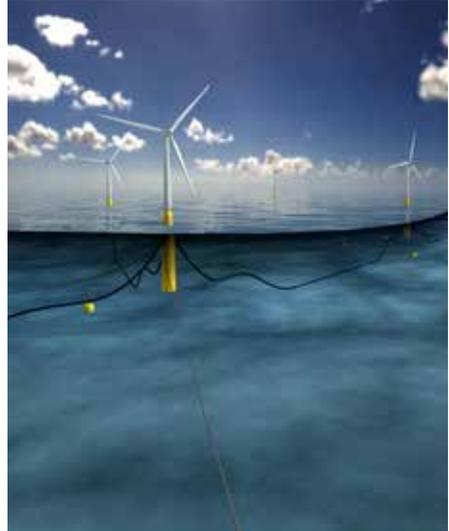


The First Minister officially unveiled the MeyGen project on 8th September at Nigg Energy Park

project in Shetland had become the first offshore tidal array in the world to deliver electricity to the grid.

Edinburgh-based developer Atlantis Resources hopes the MeyGen project will eventually have 269 turbines, bringing its capacity to 398MW.

The Crown Estate has been working with Atlantis Resources over a number of years, providing specialist support on seabed leasing and, alongside partners, committing to investing nearly £10 million in the project's first phase to help unlock Scotland's tidal energy potential.



Statoil's Hywind II wind farm illustration

## Statoil's world first project

The Crown Estate now has a full lease agreement with Statoil enabling construction of the developer's Hywind II project in waters off the coast of Peterhead in Aberdeenshire.

On its completion in 2017, Hywind II is on track to be the world's first floating offshore wind array.

In September, Statoil opened its new headquarters in Aberdeen, welcomed by First Minister Nicola Sturgeon who declared it to be a "vote of confidence" in the future of North Sea energy.

# New Head of Property

Andy Wells has been appointed Head of Property for the Scotland Portfolio.

Andy has worked for The Crown Estate for 26 years, latterly as Head of Countryside Management for the business across the UK.

His remit now extends to overall management of the Scottish rural and coastal portfolio including 37,000 hectares of rural land with forestry, farming, commercial and residential tenants, around half of Scotland's coastline with over 2,380 agreements covering ports, harbours and marinas, as well as 5,800 installed moorings.

Andy joined The Crown Estate as a Glenlivet Estate Ranger in 1990 and his enthusiasm for conservation, sustainable development and community engagement has been evident from the outset. His work has been recognised with a raft of awards, including an honorary fellowship at the University of Edinburgh.



Andy said: "I am looking forward to working closely with our tenants and partners in coastal and rural businesses, supporting sustainable land-use and helping communities and local business benefit from our team's asset management expertise."

He has replaced Alan Laidlaw, who is now Chief Executive of the Royal Highland & Agricultural Society of Scotland.

### Our Head of Property Andy is responsible for...



37,000

HA RURAL LAND



5,800

INSTALLED MOORINGS



2,380

AGREEMENTS  
(PORTS, HARBOURS, MARINAS)

I am looking forward to working closely with our tenants and partners, supporting sustainable land-use and helping communities and local business.



# Glenlivet farmer takes pride of place

Glenlivet Estate farmer Jim Simmons won the 'Cairngorms Nature Farm Award' at the Pride of the Cairngorms National Park awards, held in August at the Grantown Show.

Now in its second year, the Nature Farm Award rewards a farmer or crofter who has made a substantial contribution to the natural environment around them. Jim manages Ruthven Farm on the Glenlivet Estate and has undertaken a number of projects on his property to enhance the environment.

Over the past few years he has planted several hectares of mixed woodland, as well as hundreds of metres of new hedgerows to improve habitat connectivity and opportunities for nesting birds. The newly created riparian woodlands and ponds will help to improve woodland habitat and water quality for a wide range of aquatic life.

Jim said: "I am honoured to win the Cairngorms Nature Farm Award. The way we farm is a four-pronged approach: we start with a favourable habitat and we have a farm management plan but, crucially, we have the support of The Crown Estate and benefit from the wider management of the estate. I am a firm believer that our success comes from all these four elements working in partnership."



# Biosecurity plays vital role

The Crown Estate's Scotland Portfolio and Moredun Research Institute are working together to provide research insight and improvements to farming communities across Scotland.

Their latest venture is to produce awareness-raising materials, including an information news sheet and poster on biosecurity for key livestock diseases. It has been designed to clearly outline best practice for a number of endemic diseases which affect cattle and sheep and cost the UK livestock industry millions of pounds each year.

Biosecurity is one of the most important factors of livestock disease control and is key to healthy livestock. Although producers are well aware of the commercial benefits of healthy animals, the challenge is to ensure clear communication of best practice biosecurity in a useable format.



A Moredun livestock health event at Glenlivet Estate

"Biosecurity is a critical part of disease prevention and control," said Head of Property Andy Wells. "Farming is a key part of business on our estates and helping our tenants access current research and advice such as this ensures their businesses remain healthy and viable for the future."

Ian Duncan Miller, Chairman of the Moredun Foundation, said: "The Crown Estate is leading the way as the first land-owning estate to join us and we hope many more estates and landowners will follow suit. The Crown Estate associate membership has allowed more than 350 of their UK livestock farming tenants to benefit from livestock health advice via Moredun's extensive Knowledge Transfer and Exchange network and research expertise."



The Crown Estate is leading the way as the first land-owning estate to join us and we hope many more estates and landowners will follow suit.



Environment, Climate Change and Land Reform Committee members at Applegirth Estate

## Committee explores Applegirth

The Scottish Parliament's newly formed Environment, Climate Change and Land Reform Committee, visited the Applegirth Estate in August. It provided a great opportunity to demonstrate how we work with our tenants and local businesses to deliver sustainable growth.

Alasdair Davidson of Poldean Farm welcomed the visitors and showed committee members around his farm. Alasdair - an example of a younger generation farmer coming to work on Crown Estate land - explained the benefits of recently installing a biomass boiler to heat the farmhouse.

Other tenant farmers were also on hand to talk about their experiences of running an

agricultural business. The committee heard about renewables, environmental planning, flood mitigation and other elements of managing a mixed rural estate.

It was a valuable and welcome opportunity for politicians to get first-hand insight into how The Crown Estate's team, including agents, interact with tenants and the kind of business decisions the team makes to ensure the estates are managed well.



It provided a great opportunity to demonstrate how we work with our tenants and local businesses to deliver sustainable growth.



## Applegirth snapshot



£280,000

TOTAL CAPITAL INVESTMENT 2015/16  
(INC £61,000 TOWARDS NEW BUILDINGS)



116

RURAL TENANCIES



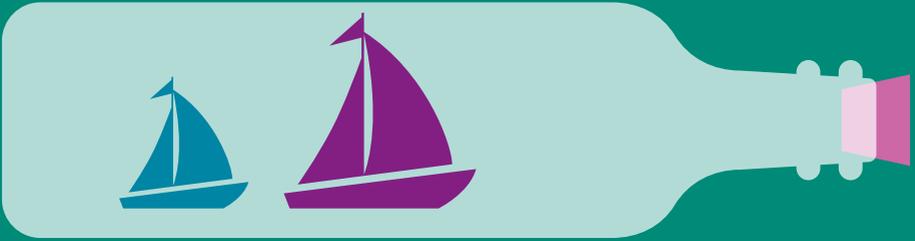
17,300

ACRES



1,662

ACRES FORESTRY



## Research set to chart the impact of sailing tourism

The prospects for sailing tourism in Scotland have been the focus of a research project taking place over the summer, funded by Highlands & Islands Enterprise, The Crown Estate and Scottish Canals.

When published, the 'Building our Capabilities' results, will provide an update on the economic contribution sailing makes to the Scottish economy and identify potential for growth across the industry.

"Our Community Marine Officers work across Scotland to help individuals and communities develop proposals, ranging from the formation of moorings associations to installation of community pontoons."

“ Some 2,700 jobs are directly supported by sailing tourism, so the importance of the sailing sector to coastal and island communities is significant.

Scotland Portfolio Asset Manager, Paul Bancks said: "Previous research has shown that some 2,700 jobs are directly supported by sailing tourism, so the importance of the sailing sector to coastal and island communities is significant.

The research will add to the findings of a 2010 report on sailing tourism in Scotland and arises from Scotland's Marine Tourism Strategy '*Awakening the Giant*', launched in March last year. The five-year plan aims to boost Scotland's reputation as a world class marine tourism destination by improving the experience of visitors, building facilities and skills within the sector, and promoting the huge range of events and activities available around Scotland's coast. The strategy aims to grow the total value of the sector by 25 per cent, from £360 million to £450 million, by 2020.



Winning photograph: Peter Wilson – *At rest*

## A snapshot of Rhu

Quay Marinas, which manage Rhu Marina on behalf of The Crown Estate, ran a photography competition over the summer months - encouraging both berth holders and visitors to capture the best of their sailing experiences at the marina and within the local cruising grounds.

The competition closed on 30th September and the winner was announced as local amateur photographer Peter Wilson, for his picture of sailing boats 'At rest' in Rhu Marina harbour. Peter received an iPad mini and will now have his photo featured on the marina's website and the marina marquee throughout the 2017 sailing season.

Aspiring snappers have been posting their photos to the marina's Facebook page into one of four categories – action, people, approaches to the marina and wildlife.

Suzanne Bell, Manager of Rhu Marina, said: "Rhu Marina really comes to life during the summer with berth holders, visitors and wildlife and we thought a photography competition would be a fun way to share people's experiences of the Marina and its



Above: Beth Dorcas – *Untitled*. Right: Morven Yarman – *June*

surroundings. We're delighted with how popular this inaugural competition has been with the number of entries received."

Paul Bancks, The Crown Estate's Marine Coastal Asset Manager, said: "Rhu Marina is in a fantastic location and a great place to visit, whether by boat, on foot, or by bike. We're pleased that so many people have taken part in the competition and shared their personal photographs of what makes it a special sailing destination."

All the entries can be viewed on the marina's Facebook page: [www.facebook.com/Rhu-Marina-155874901097063](https://www.facebook.com/Rhu-Marina-155874901097063)



Ferguson Transport was awarded its prize by Secretary of State for Scotland, Rt Hon David Mundell MP and Comedian Tim Vine

”

Scotland's coast offers a range of economic opportunities.

## Ferguson Transport wins award

The Crown Estate Award for Excellence in a Marine Business was awarded to Ferguson Transport & Shipping at the annual SCDI Highlands & Islands award ceremony in Inverness.

Operating along the west coast of Scotland, Ferguson Transport & Shipping has grown its marine operations over recent years, expanding to operate a fleet of six shipping vessels from its Kishorn base to meet the needs of the aquaculture sector. Ferguson Transport has helped to support the development and growth of the salmon industry and is a key logistics and transport provider for companies based across Scotland.

Ferguson Transport Group Managing Director, Alasdair Ferguson said: “We are committed to supporting the businesses and communities across the west coast in which we operate and continue to

look at what we can do to strengthen not only our own competitiveness but that of the companies we serve with our growing fleet.”

Andy Wells, Scotland Portfolio Head of Property said: “Scotland's coast offers a range of economic opportunities and Ferguson Transport & Shipping is playing an increasing role in providing services to help companies capitalise on what it can offer. The Crown Estate is delighted to recognise the company's achievements and we look forward to its continuing success.”

## Shellfish sector holds sustainable potential

Scotland's shellfish farming is a £10 million industry<sup>1</sup> and, having grown steadily since The Crown Estate agreed its first lease for oyster growing in Loch Sunart in 1972, the sector is enjoying its 30th anniversary of the Association of Scottish Shellfish Growers Conference.

The industry is diverse, ranging from individual operators to larger, more commercially focused companies, who all negotiate environment, regulation and market impacts on their business. These factors have also shaped our management of shellfish leases.

Alex Adrian, Aquaculture Operations Manager, said: "We have learned that when working with shellfish operators, understanding the business is far more important than simply being knowledgeable about the activity. Frequent and productive communication with tenants is critical as is contributing to initiatives underway that will hopefully encourage growth, sustainability and confidence in the sector."

Currently there is a review of the aquaculture consenting regime. Scotland dominates the industry but it could be argued that its regulation is more burdensome here than in other UK jurisdictions. We expect this may change and allow more small local enterprises to enter the sector.

Around Scotland there are also consents in place without any current activity. This capacity has significant potential for the sector and The Crown Estate is keen to work with industry to help address the needs of the current market.



<sup>1</sup> <http://www.gov.scot/Publications/2016/05/2841>



Scalán Mill on Glenlivet Estate - a Landscape Partnership regeneration project

## Heritage lottery boost

Heritage Lottery Fund has announced £2.34 million to support regeneration projects in the Cairngorms National Park as part of the Tomintoul and Glenlivet Landscape Partnership project.

The successful funding bid was led by the Cairngorms National Park Authority with partners including the Tomintoul & Glenlivet Development Trust, The Crown Estate, Moray Council, Highlands & Islands Enterprise, the Royal Society for the Protection of Birds, Spey Catchment Initiative, Historic Environment Scotland and the Cairngorms Learning Partnership.

Twenty projects are planned over a four-year period, including:

- Tomintoul Museum will become a Discovery Centre and tourist hub.
- Blairfindy Castle and Scalán (a 18th century seminary) will be conserved and made safe for visitors.
- Woodlands will be restored along sections of the River Avon.

Andy Wells, Head of Property for The Crown Estate, Scotland Portfolio, commented: "This funding will allow us to continue our partnership work with local organisations to support a diverse rural economy within the Glenlivet Estate. The range of cultural, heritage and environmental projects that will benefit from this investment will add considerably to the area's tourism offer and help protect what makes it a special destination for visitors. The Landscape Partnership was created to deliver successful regeneration of the wider Tomintoul and Glenlivet area, drawing on the experience of all the organisations involved."



“  
The work which  
the trainees carried out  
will really help maintain  
the estate's rich  
biodiversity and ensure  
it's a resource which  
members of the public can  
access easily and enjoy.

VICKY HILTON  
GLENLIVET COUNTRYSIDE MANAGER

## Glenlivet welcomes conservation trainees

Six trainees have carried out conservation work on the Glenlivet Estate, as part of a six-month Environmental Conservation training course.

The course is run by the Cairngorms Outdoor Access Trust as part of The

Mountains and The People project. During their fortnight on the estate, the trainees were involved in a range of conservation activities, including clearing out overgrown ponds, maintaining the estate's nature trails, and building owl boxes and benches.

## New tenant at Fochabers

Den Farm in Spey Bay on the Fochabers Estate has recently been let to farmer Richard Pettit. The Den is a mixed arable and stock unit with good fixed equipment, including a comfortable three-bed house.

Across our rural tenancies, we look for different types of farming business, optimising the potential of each property, providing new opportunities and potentially

attracting new entrants to farming. We want to encourage new tenants with drive and innovation who can help improve the long-term value of our assets and work in partnership for mutual benefit.



# Company hopes for a glittering future

A Scottish mine has produced gold for the first time following the launch of an ore processing trial, arranged under The Crown Estate's responsibility for 'Mines Royal'.

Mining firm Scotgold Resources is crushing 2,400 tonnes of ore which has been stockpiled at Cononish near Tyndrum in central Scotland. It is targeting "first pour" production of between 400 and 600 ounces of gold during the initial six-month trial. About 100 ounces (almost 3kg) will be sent to jewellers to test the market for Scottish gold.

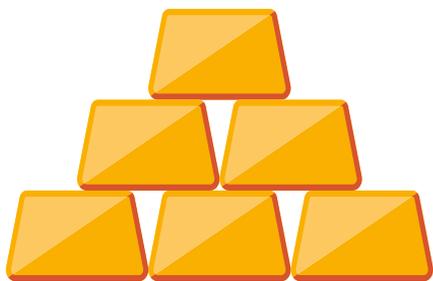
A small-scale pilot plant has already started processing material at the site after permission was granted by the Loch Lomond and the Trossachs National Park Authority earlier this year, under a lease from The Crown Estate.

Scotgold will shortly release 10 limited edition 1oz fine Scottish Gold Rounds from a sealed-bid auction to commemorate the first Scottish gold available on the open market.



Scotgold's Managing Director & CEO Richard Gray at the official opening of the Cononish plant in August





## Mines Royal

‘Mines Royal’ is the historic name for naturally occurring gold and silver, virtually all of which is managed by The Crown Estate.

We facilitate the commercial exploration and development of gold and silver deposits, providing they are carried out in accordance with statutory requirements and meet the required environmental standards.

Commercial exploration requires access to land and commercial development also requires a lease of the Mines Royal. Our role is to consider applications from responsible commercial applicants for an option to take such a lease. Further guidance for applicants is available to download at [www.thecrownestate.co.uk/media/5240/mines-royal-option-process.pdf](http://www.thecrownestate.co.uk/media/5240/mines-royal-option-process.pdf)

There are maps on our website showing agreements granted as well as specific locations in Scotland where gold and silver is owned by third parties. These can be found at [www.thecrownestate.co.uk/media/502182/noncrown\\_mines\\_royal\\_final.pdf](http://www.thecrownestate.co.uk/media/502182/noncrown_mines_royal_final.pdf).

## Gold panning

As a responsible manager of mineral rights, we recognise that gold panning can cause harm to the aquatic environment and damage wildlife and their habitats in and around streams and rivers.

We therefore take a precautionary approach and do not grant permissions for gold to be taken away by panning.

Our intention is to help preserve the aquatic environments which are susceptible to damage and to abide by our statutory obligations in terms of good management and stewardship of the assets. This approach is also in line with our responsibilities under the EU Habitats Directive.

We are not a planning authority and regulation is carried out by SEPA and SNH in the case of designated sites.

For more information visit [www.thecrownestate.co.uk/rural-and-coastal/minerals](http://www.thecrownestate.co.uk/rural-and-coastal/minerals)

Our intention is to help preserve the aquatic environments which are susceptible to damage.



## Governing assets

If anyone knows which of ‘them thar hills’ contains gold in Scotland it’s Fiona Simpson. As the Scotland Portfolio’s Asset Manager she is responsible for overseeing the management of ‘Mines Royal’, which essentially means gold and silver.

Add to this, oversight of four rural estates (Glenlivet, Whitehills, Fochabers and Applegirth), mineral rights and Scottish salmon fishing access and leasing, and you get an idea of the variety within her remit.

It’s a job that requires a knowledge of old rules and new. Some of the legislation dates back to the late 1400s, while the more recent Scottish Land Reform Act also needs to be considered.

While the estates are tenanted for farming, they are also home to rural communities and other businesses ranging from a ski resort, sporting and game activities to a water bottling plant. There is also mining on the estates – for example, sand from Whitehills is being used for golf course bunkers.

Salmon fishing in Scotland has also changed greatly over the years. For the main part, Fiona manages leasing angling associations, where five year leases allow for salmon fishing rights to remain with local communities.

To manage this wide spread of responsibilities efficiently and effectively, Fiona takes a sustainable approach, designed to create income, but also to preserve assets for the long-term and see that they are managed consistently and fairly.



Our sustainable approach is designed to create income, preserve assets and see that they are managed consistently and fairly.

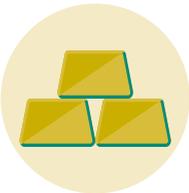
## CV

Fiona Simpson



Fiona is a BSc Hons graduate of The University of Manchester who joined The Crown Estate in the role of Executive Officer and has remained with the organisation for almost 30 years. She has always been based in Scotland, although her job has included responsibility for activities carried out throughout the UK.

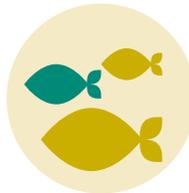
Asset Manager Fiona is responsible for



Mines Royal



Rural estates



Scottish salmon fishing estates



Scottish onshore minerals

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