

Agenda

Crown Estate Scotland Board (45th Meeting)

Thursday 5 June 2025, 10:00am

Crown Estate Scotland, Quartermile Two, Edinburgh / MS Teams

Board Self-Evaluation Session

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| 09:00 | 1. | Board Self-evaluation
<i>Chair of the Board</i> | For discussion |
| 09:50 | 2. | Closing remarks
<i>Chair of the Board</i> | For noting |
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Board Meeting

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| 10:00 | 1. | Welcome and apologies
<i>Chair of the Board</i> |
| 10:05 | 2. | Declaration of interests
<i>Chair of the Board</i> |
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Standing Items

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|-------|----|---|-----------------|
| 10:10 | 3. | Minutes of the last meeting: 26 February 2025
<i>Chair of the Board</i> | For approval |
| 10:20 | 4. | Review of the Action Tracker
<i>Chair of the Board</i> | For assurance |
| 10:30 | 5. | Decisions taken out of meeting
<i>Chair of the Board</i> | For assurance |
| 10:40 | 6. | Investment Committee update (6 May 2025)
<i>Chair of Investment Committee</i> | For information |
| 10:50 | 7. | Audit and Risk Committee update (23 May 2025)
<i>Chair of Audit and Risk Committee</i> | For information |
| 11:00 | 8. | Remuneration Committee update (24 April 2025)
<i>Chair of Remuneration Committee</i> | For information |
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Items for Decision

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|-------|----|---|--------------|
| 11:10 | 9. | Aquaculture Outwith Three Nautical Miles
<i>Head of Aquaculture</i>
<i>BD(2025)45.1</i> | For approval |
|-------|----|---|--------------|

11:25	10.	Advance Programme Quarterly Update <i>Interim Director of Business Improvement</i> <i>BD(2025)45.9</i>	For noting
11:40	11.	Organisational Design Workstream 2 Update <i>Interim Director of Business Improvement / Head of People</i> <i>BD(2025)45.10</i>	For Noting
11:55	12.	Chief Executive's report <i>Chief Executive Officer / Accountable Officer</i> <i>BD(2025)45.6</i>	For information

12:15 **Comfort Break**

Items for Discussion

12:30	13.	Borrowing and Enhanced Investment Powers	For discussion
12:40	14.	Financial Information Workshop <i>Director of Finance and Business / Financial Controller</i> <i>BD(2025)45.13</i>	For discussion

13:30 **Lunch**

Management Reports

14:15	15.	Corporate Governance Internal Audit Report <i>Internal Audit Manager/BDO</i> <i>BD(2025)45.5</i>	For Discussion
14:35	16.	Finance update <i>Financial Controller</i> <i>BD(2025)45.7</i>	For assurance
14:45	17.	People report <i>Director of Finance and Business Services</i> <i>BD(2025)45.8</i>	For assurance
14:55	18.	Board Expenses Policy <i>Chief Executive Officer/ Financial Controller</i> <i>BD(2025)45.2</i>	For noting & acceptance
15:05	19.	Policy Register (Verbal update) <i>Interim Head of Governance</i>	For noting

15:15	20.	Annual Report on Freedom of Information / EIR <i>Information and Records Manager</i> <i>BD(2025)45.3</i>	For noting
15:25	21.	Annual Report on Complaints <i>Interim Head of Governance</i> <i>BD(2025)45.4</i>	For noting
15:35	22.	Stakeholder engagement <i>Head of Corporate Affairs (Verbal update)</i> <i>BD(2025)45.11</i>	For information
15:45	23.	Campbell Tickell Board Effectiveness Plan Progress <i>Interim Head of Governance</i> <i>BD(2025)45.12</i>	For assurance
15:55	24.	Board Annual Appraisals <i>Chair of the Board</i>	For assurance

Conclusion

16:05	25.	Any other business <i>Investment Strategy</i> <i>Chair of the Board</i>	For discussion
16:10	26.	Review of the meeting <i>Chair of the Board</i>	For discussion
16:05	27.	Date of the next meeting: TBC <i>Chair of the Board</i>	For noting

Minutes



45th Crown Estate Scotland (CES) Board

Thursday 5 June 2025, 10:00am – 15:00pm

Quartermile 2, Edinburgh, Large Meeting Room and MS Teams

Members Present:

Euan McVicar (Chair)
Ailsa Raeburn (leaving at 16:00hrs)
Liz Leonard (by MS Teams, leaving at 12:30hrs)
Jean Lindsay
Adam Bruce
Martin McEwen

Members Apologies:

Liz Leonard (post 12:30hrs)

In attendance:

Ronan O'Hara, Chief Executive Officer and Accountable Officer
Alastair Milloy, Director of Finance and Business Services
Ann Jacob-Chandler, Director of Development, Capital Delivery and Decarbonisation
[REDACTED], Interim Director of Business Improvement
Mike Spain, Director of Aquaculture and Marine Ecosystem Services (am only)
[REDACTED], Interim Director of Corporate Operations
[REDACTED], Financial Controller
[REDACTED], Interim Head of Governance, Legal and Risk
[REDACTED], Interim Head of Governance (Minutes)
[REDACTED], Interim Governance Assistant
[REDACTED], Head of Corporate Affairs (*item 23*)
[REDACTED], Head of Aquaculture (*item 9*)
[REDACTED], Asset Manager (*item 9*)
[REDACTED], Culture and Engagement Lead (*items 11 and 12*)
[REDACTED], Internal Audit Manager, BDO

Sections of the minute have been redacted and are exempt from publication under s.38(1)(b) of the Freedom of Information Scotland Act 2002.

Standing Items

1. Apologies and Declarations of Interest

The Chair of the Board opened the meeting and welcomed everyone. He noted this was Martin McEwen's first Board meeting at Crown Estate Scotland since commencing his appointment on 1 May 2025.

[REDACTED], Head of Aquaculture and [REDACTED], Asset Manager were attending the meeting as observers. It was agreed they would step out of the meeting for items 10-12.

Liz Leonard was attending online and shared her apologies in advance for the afternoon session of the meeting.

Mike Spain also noted his apologies in advance for the afternoon session.

The Chair of the Board advised Board Members, Ann Allen and Katerina Brown ended their terms of appointment effective 31 May 2025. The Board acknowledged their valued contributions.

Sections of the minute have been redacted and are exempt from publication under s.38(1)(b) of the Freedom of Information Scotland Act 2002.

2. Declaration of Interests

The Chair of the Board invited members to disclose any declarations of interests for the meeting.

There were no declarations of interests.

3. Minutes of the Meeting held on 26 February 2025

The Chair of the Board invited feedback on the minutes of the meeting held on 26 February 2025, copies of which had been previously circulated.

Noted:

- 1)** Jean Lindsay requested wording of, 'Most Senior Officer' in item 12.4 be amended to 'Senior Crown Servant.'
- 2)** Jean Lindsay requested wording on item 22.8 be amended to state 'appointments will be subject to open competition' rather than on merit.
- 3)** Jean Lindsay queried whether her involvement was required to progress the PVG scheme. Alastair Milloy, Director of Finance and Business Services thanked Jean for her offer. He advised her input was not required at this stage and would be in contact in due course.
- 4)** Liz Leonard queried the Strategic Workforce Plan deliverable under Advance, and her understanding this would be complete by 4 March 2025. [REDACTED], Interim Director of Business Improvement clarified that the deadline reference was for work by [REDACTED]* to support the Strategic Workforce Plan. This work was completed on schedule, and the Strategic Workforce Plan is planned to be brought to the next Board meeting.

- 5) Adam Bruce requested that the reference to ‘masses’ in item 21.4 be amended to ‘staff body.’
- 6) Ronan O’Hara, Chief Executive Officer and Accountable Officer requested item 16.3 be corrected to ‘letter from the Chair,’ not ‘CEO and Chair.’
- 7) Ronan O’Hara requested that item 17.3 be amended to state [REDACTED]** rather than [REDACTED]** as per letter issued to Scottish Government.
- 8) Ronan O’Hara requested that item 22.7 be amended to reflect that he had sought to confirm with the Board they were content for work on the case for a [REDACTED]** to be progressed. The Board agreed this change in phraseology as it was recognised approval was not sought from the Board given the operational nature of this matter.
- 9) Ailsa Raeburn requested the minutes be updated to reflect the discussion on the Offshore Wind Extension policy and the potential for challenges resulting from industry responses to matters out with their control to demonstrate the Board considered this as a material matter.

10) The Board **approved** the minutes subject to the agreed changes (above).

Action 45/3/1: Governance to amend the minutes of the meeting held on 26 February 2025 to reflect comments provided (31 June 2025).

Sections of the minute have been redacted and are exempt from publication under s.38(1)(b), s.33(1)(b)*, and section 30(c)** of the Freedom of Information Scotland Act 2002.

4. Review of the Action Tracker

The Chair of the Board introduced the Action Tracker for discussion and invited feedback.

Noted:

- 1) The Chair queried the progress on Action 42/6 regarding the implementation of new audit standards. Alastair Milloy clarified this would have a material impact in future reporting regarding the estate and climate risk such as flooding.
- 2) The Chair queried whether the action on horizon scanning discussed at the Board meeting on 27 November 2024 had been progressed. [REDACTED], Interim Director of Corporate Affairs advised this had

previously been on the Action Tracker and since had been closed due to ongoing discussions on this matter.

- 3) [REDACTED] advised of high-level horizon scanning within the Director's reports and recognised the Board may wish more detail. To this end she asked for clarity on the level of focus the Board would like given the size of the estate and the number of emerging policy and legislative changes. The Chair advised a short tabular report for information only would be acceptable, and that he was assured these discussions were taking place at Executive Team meetings. Ailsa Raeburn advised horizon scanning should reflect on key risks which would pose significant obligations on Crown Estate Scotland and its tenants.
- 4) Ronan O'Hara queried where and how these updates should be tabled for Board scrutiny. He suggested updates could be via a separate policy risk register or Management reports. The Board agreed Horizon scanning updates be provided via the Management Reports section in Board meetings and also within the Risk Register at Audit and Risk Committee.
- 5) Adam Bruce proposed that actions without a designated deadline be allocated an anticipated date of closure for good discipline. He recognised that actions which did not currently have a deadline, were complex and difficult to estimate timescales due to external factors out with CES control.
- 6) Action 43/3 - Ann Jacob-Chandler, Director of Director of Development, Capital Delivery and Decarbonisation reminded the Board her team were awaiting responses on Board availability for a session on the Decarbonisation Strategy, which would involve external consultants. The Chair of the Board asked Board Members to advise on their availability as soon as possible.

Action 45/4/1: Board Members to confirm availability for session on the Decarbonisation Strategy (6 June 2025).

Sections of the minute have been redacted and are exempt from publication under s.38(1)(b) of the Freedom of Information Scotland Act 2002.

5. Decisions Taken Out of Meeting

The Chair of the Board highlighted decisions that had been taken out of meeting by the Board.

Noted:

- 1) [REDACTED] project – a majority of Board Members approved the decision to conclude work on the [REDACTED] via correspondence on 3 June 2025.

- 2) Investment in [REDACTED] – a majority of Board Members approved the decision to progress with the investment on 27 March 2025. The transaction was subsequently concluded via correspondence on 1 April 2025. The Chair of the Board congratulated the team on this achievement.

Sections of the minute have been redacted and are exempt from publication under s.33(1)(b) of the Freedom of Information Scotland Act 2002.

6. Investment Committee Update (6 May 2025)

Ailsa Raeburn, Chair of the Investment Committee provided an update to the Board on key points arising from the meeting held on 6 May 2025.

Noted:

- 1) An update had been provided on the development of the CES Framework with Scottish Government.
- 2) Valuations for the estate had been shared. It was agreed that a discussion with Audit and Risk Committee would be required to explore the unstructured nature of the valuations.
- 3) The PMO report highlighted that no acquisitions were immediately imminent. The Chair of Investment Committee recommended the PMO report be shared with the Board via AdminControl.
- 4) Discussion about [REDACTED], and Investment Committee are awaiting a paper on this.
- 5) Discussion about [REDACTED], and the legal and financial implications involved in these. Investment Committee proposed [REDACTED].
- 6) The Chair of the Board invited questions from Board Members. Jean Lindsay advised she had received phone calls related to [REDACTED]. Jean indicated she would want to be involved in more discussions about this.
- 7) Ronan O'Hara indicated a stock take of the [REDACTED] could be undertaken, including lessons learned and consideration given to the question of the [REDACTED].

Action 45/6/1: Investment Committee to have a discussion with Audit and Risk Committee regarding valuations (1 October 2025).

Action 45/6/2: Governance to share PMO report tabled on 6 May 2025 Investment Committee meeting with all Board Members via AdminControl Library (31 July 2025).

Sections of the minute have been redacted and are exempt from publication under s.33(1)(b) of the Freedom of Information Scotland Act 2002.

7. Audit and Risk Committee Update (23 May 2025)

Martin McEwen, Chair of the Audit and Risk Committee had submitted a summary report in advance of the meeting, which he took as read given it was part of the Board pack. He provided an update to the Board on key points arising from the meeting held on 23 May 2025.

Noted:

- 1)** Internal Audit Report on Corporate Governance was remitted to the CES Board for discussion at the meeting today.
- 2)** Internal Audit Report on Staff Development and Succession Planning remitted to Remuneration Committee. It was agreed that this report does not fit with the remit of the Committee and would be best to be considered by the Board.

Action 45/7/1: Governance to ensure Internal Audit Report on Staff Development and Succession Planning to come to Board (1 October 2025).

8. Remuneration Committee Update (24 April 2025)

Jean Lindsay, Chair of the Remuneration Committee provided an update to the Board on key points arising from the meeting held on 24 April 2025.

Noted:

- 1)** Remuneration Committee considered Scottish Government Pay Policy, of which had been circulated in December 2024, and the subsequent technical guidance in April 2025.
- 2)** Benchmarking data currently being collated to develop thinking and progress pay matters for Crown Estate Scotland (CES). CEO pay will be dealt with separately.
- 3)** Unions promoting the four-day working week. CES will await the position of Scottish Government on this matter before taking any decisions.
- 4)** A report on the impact of the 35 hour working week will be submitted to the next Remuneration Committee in October 2025.

- 5) Following the departure of Board and Remuneration Committee members, Lorne MacLeod, Katerina Brown and Robert Mackenzie, the Chair of the Board indicated that in order for the forum to be quorate, new members were required. To this end, it was agreed by Board that Martin McEwen would join the Remuneration Committee and the Chair of the Board would temporarily join the Committee in a non-voting capacity until new members were recruited.
- 6) It was recognised that the Remuneration Committee Terms of Reference would require to be regularised given there would only be two formal members in this interim period while Board Recruitment for five new members is underway.

Action 45/8/1: Governance to ensure Remuneration Committee Terms of Reference to be reviewed and amended in accordance with interim arrangements (1 October 2025).

9. Aquaculture Out with Three Nautical Miles

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10. Advance Programme Quarterly Update

[REDACTED], Culture and Engagement Lead, joined the meeting in person.

The Chair of the Board invited observations from Adam Bruce from a Scrutiny Group perspective prior to discussion of the update.

Noted:

- 1) Recognition of Ann Allen and Robert Mackenzie's contributions to the Scrutiny Group over the last year.
- 2) Recognition of the good work of [REDACTED], Interim Director of Business Improvement and [REDACTED], Culture and Engagement Lead in progressing the programme. Development of processes is evident as the work of the Programme Board evolves in its supervision of delivery of the Advance Programme.
- 3) Adam explained there some delays in the programme and emphasised the importance of the Board having clarity on how these have arisen, the revised timescales and the management interventions taking place.

- 4) The Board collectively raised concerns about slippages in the programme specifically around the delivery of the Strategic Workforce Plan (SWP). [REDACTED] and [REDACTED] clarified the work had not slipped with the [REDACTED]* outputs providing insights into skills, competencies, and capabilities, which will inform the SWP and this work was completed on time. The SWP will be presented to the next Board meeting. The plan will align with the Corporate Plan and address workforce capacity, costs, capabilities, and skills. The Executive Team is committed to dedicating significant time to ensure the plan's completion.
- 5) [REDACTED] outlined to the Board the robust project governance instilled since the Programme had been approved by the Board at the meeting held on 26 February 2025, and his commencement in post in late January 2025. He advised the overall status of the Advance Programme is currently Amber. He highlighted that in smaller organisations such as CES competing priorities were a real challenge in balancing the needs of the business and development of the organisation.
- 6) The Chair of the Board noted two of the previous red risks were now amber and asked for examples of the management interventions necessary to bring key risks back to a green rating. [REDACTED] shared examples on Business automation and Procurement of Managing Agents which were rescoped in line with resource, capacity, and timelines.
- 7) The Chair of the Board queried whether there was Executive Team commitment in delivering the management interventions. [REDACTED] assured the Board this was the case and advised of the shared ownership and proactive planning underway within ET. This meant that actions were being addressed in a timely manner, despite a turbulent operational climate within the last six months and resourcing challenges.
- 8) Jean Lindsay queried the re-baselining of the plan and outlined her concerns about delays. [REDACTED] outlined the timelines in the Advance Programme to date, noting that while ambition was high there have been extenuating circumstances which meant the plan had to be re-baselined more pragmatically to ensure high quality delivery, which is normal custom and practice. Ann Jacob-Chandler, Director of Development, Capital Delivery and Decarbonisation assured the Board of the huge amount of work involved behind the scenes in moving projects along, noting that many of the projects are rated Green, including the Total Cost of Management.
- 9) Martin McEwen indicated that Change programmes were notoriously challenging and queried how projects within the programme remain relevant and the right level of detail be reported to Board. [REDACTED] advised that the Scrutiny Group played a crucial role in this, with Adam Bruce and Jean Lindsay, and previously Ann Allen and Robert Mackenzie

all holding CES staff to account regularly. He added that the terms of reference for the group were currently under review, and as part of this reporting to Board was also being considered.

10) The Chair of the Board queried the levels of accountability within the Advance Programme. [REDACTED] clarified that he is the Senior Responsible Owner (SRO) and Ronan as CEO is accountable for the delivery of the strategic outcomes, which the CEO confirmed. Ann Jacob-Chandler confirmed responsibility for the programme is also built into the objectives of each member of ET.

11) Ailsa Raeburn and Liz Leonard queried why the Governance workstream now came under the scope of the Advance Programme. Ronan advised this was to align with the main objective of the Advance Programme which is, 'a high performing organisation with improved capacity, capability, resilience and governance' – the basis for which the Board had approved the Business case in February 2025.

12) The Chair of the Board requested that while the actions within the recent internal audit report on Corporate Governance and the Board Development Plan were being reported on via Advance workstream nine, it was the preference of the Board to continue to receive standalone updates on these going forward given the importance of those matters and the need for the Board to have visibility of them.

Action 45/10/1: Scrutiny group to discuss form of performance reporting to ensure it meets Board needs and review the Terms of Reference for the group (30 September 2025).

Sections of the minute have been redacted and are exempt from publication under s.38(1)(b) and 33(1)(b)* of the Freedom of Information Scotland Act 2002.

11. Organisational Design Workstream 2 Update

The Chair of the Board introduced the update on Organisational Design workstream two and invited feedback from the Board.

Noted:

- 1)** The Board recognised discussion of the previous item had covered this matter in detail.
- 2)** Ailsa Raeburn highlighted her concern over a lack of a Strategic Workforce Plan (SWP) and queried whether a draft of this could be circulated to Board sooner than the next Board meeting. [REDACTED] advised this was not possible due to a number of considerations around

alignment with the Corporate Plan, for which there had been no agreed settlement yet from Scottish Government.

Action 45/11/1: [REDACTED], Alastair Milloy, and [REDACTED] to submit Strategic Workforce Plan for discussion at the next Board meeting (1 October 2025).

[REDACTED], Culture and Engagement Lead, left the meeting.

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Comfort Break

12. Chief Executive Officer's Report

[REDACTED], Head of Corporate Affairs, joined the meeting in person.

The Chair of the Board thanked Ronan O'Hara, Chief Executive Officer and Accountable Officer for his report which had been shared in advance of the meeting, introduced the Chief Executive's report and highlighted that it shared some good financial results and recognised some areas of improvement.

Noted:

- 1)** By way of scene setting the Chair highlighted it was positive to see reflections on the year that has passed and the year that is to come. The report reflected good financial results and several areas of improvement.
- 2)** The Board reflected on the content, style and format of the report, and the need for its evolution to reflect greater balance in looking at the performance and state of the organisation as a whole.
- 3)** Ronan thanked the Board for their feedback and reflected on this being the third iteration of this report during his tenure as CEO. This iteration had been influenced by feedback from ET who were keen to reflect good progress being achieved by the organisation. ET strongly felt the CEO report needed to be a vehicle to help Board members understand the breadth and depth of work the organisation undertakes, and in this respect, Ronan accepted this may have given the report a more positive tone.
- 4)** Jean Lindsay accepted it was important to recognise employee contributions, and whilst that is the case, the role of the Board is scrutiny and challenge and therefore the report requires to be balanced in its feedback. Jean highlighted the report presented more as an annual report than a CEO report. She suggested Ronan might consider an annual report going forward in addition to his regular CEO report.

- 5) Adam Bruce agreed with Jean's position and suggested the CEO report present an executive summary on the front page which outlines the critical issues to bring to the attention of Board.
- 6) Ronan O'Hara highlighted four areas the Board should focus on at the meeting today including Land Reform, Offshore Wind Extension Policy, Transmission Cables, and the CES Framework agreement.
- 7) Land Reform – A number of amendments have been tabled in relation to property rights and the seabed, with new amendments still being proposed regularly. [REDACTED], Interim Director of Corporate Operations, [REDACTED], Head of Corporate Affairs and [REDACTED] Interim Head of Legal, Governance and Risk have been liaising closely with Scottish Government Sponsorship Branch and the Bill Team on the emerging implications and potential risks to CES.
- 8) Discussion focused on the merits of having a meeting with the Cabinet Secretary and the best time to have this. Ronan and the team assured the Board close monitoring and constructive engagement with Scottish Government was taking place on this matter.
- 9) Offshore Wind Extension Policy – the Board discussed the challenges faced with the offshore wind extension policy, including potential disintermediation by industry representatives and the need to revalidate developer support. The Aquaculture team recommended maintaining the historic policy until the issue is resolved.
- 10) Transmission Cables – the Board noted changes occurring to pricing south of the border and the impact on transmission cables running north-south. They noted the challenge of achieving market value in the current environment, the complexities of the pricing model and the need to revisit the matter to ensure fair pricing. The need for a comprehensive approach to ensure market value and manage reputational risks is crucial.
- 11) CES Framework Agreement – Ronan O'Hara highlighted that CES has been in negotiations with Sponsorship Branch to undertake a light touch update to the framework document to regularise matters. It was agreed that CES would revisit this in 2026 to enact a more substantive update including the importance of delegated limits and the need to amend reflect the uniqueness of CES.
- 12) The Board reflected on the Strategic Management Plan which sets out how the estate will be managed. This is primarily set by the Scottish Government, and in recognition of this, the Board agreed that

constructive engagement was required to reflect the unique needs of CES as an organisation.

- 13) Ailsa Raeburn acknowledged CES did not deliver the Investment target set for 2024/25 and queried whether Ronan could defend this performance in a Parliamentary Committee. Ronan advised from a pragmatic perspective he could, as the CEO report in August 2024 had given a commitment to Board to achieve between 70-90%, and 82% was achieved meaning that the commitment was fulfilled as forecast.
- 14) Ann Jacob-Chandler emphasised the need for the Board to be pragmatic in their expectations given the dynamic nature of programme delivery. She explained the team she led and had taken on in August 2024 worked within a challenging operating and commercial environment.
- 15) The Chair of the Board queried the likelihood of the target being achieved during 2025/26. Ann Jacob-Chandler shared that despite the small team leading this work she was positive about the target being achieved. She highlighted that £2m had been achieved a £10m target on the first day of the new financial year. Ann also managed the expectations of Board by advising of the challenging technical and legal nature of acquisitions that can result in halting progress when due diligence issues are presented that may not first have been visible.
- 16) Alastair Milloy, Director of Finance and Business Services highlighted it was important to note CES are constrained with the tools available to the organisation. CES cannot borrow and are held to the estate. This means CES cannot over deploy its capital. He further shared that investment would be impacted by the level of settlement agreed by the Scottish Government to support the Corporate Plan.
- 17) The Chair of the Board highlighted lots of organisations are capital constrained, and they can navigate this by the 'fishing in the pool technique.' Ronan accepted this as a fair challenge and shared that he was keen for limitations not to stymie ambition. He reflected on the importance of being cautious while building tolerance in future targets and encouraging ambition.
- 18) Jean Lindsay raised concerns about the investment target not being met. Ronan highlighted CES exceeded the lower limit of expectation and given this there should be recognition by the Board of this achievement.
- 19) Ailsa Raeburn recognised the team were working hard on acquisitions and noted the number of investments considered out of Committee meetings within tight timescales. Further to this she noted that in the eight years CES had been operating capital targets had not been achieved, and therefore the CEO report should reflect this wider context.

- 20) Ronan thanked Investment Committee for their time and efforts out with the Investment Committee meeting to progress decisions on acquisitions. He also asked Ailsa to confirm for the record that CES had achieved its best financial year to date, which she acknowledged.
- 21) Ann Jacob-Chandler advised she was thankful for the efforts of Investment Committee and Board particularly where decisions were required within tight timescales. She highlighted that given the complexities around acquisitions and there being just four Investment Committees a year it was likely there would be more out of meeting decisions required in order to meet the target.
- 22) Martin McEwen raised a question around public sector reform and what this means to CES. Ronan indicated he had been in active discussions with Sponsorship Branch on this. It is recognised that public sector reform is not designed to reflect the CES operating model (profit making) and CES continues to engage on how we can optimise operations for wider benefits.
- 23) Discussion reflected the substantial monies that CES was holding, and how this could be put to better use. Ronan advised he had written to Scottish Government copying in Audit Scotland given the ultra vires risk and was awaiting a response.
- 24) Jean Lindsay queried whether CES was offering up any public sector reforms/savings. Ronan confirmed CES is enabling revenue in other areas of Scottish Government reform and had been making some savings in operational expenditure.
- 25) CES office accommodation had been under review as part of public sector reform. A business case was being developed around the value for money case to remain in the current location versus moving to Scottish Government premises at Victoria Quay. Jean Lindsay emphasised the need to revise the current business case which had been written pre-pandemic.
- 26) The Chair of the Board indicated the recent internal audit report on Corporate Governance recommended the Board engage more on organisational culture. It was agreed an action be generated for the Board to consider the next steps of CES cultural evolution and how Board can assist with this in a deep dive session.

Action 45/12/1: Board to participate in a deep dive session on organisational culture at the December 2025 Board meeting (24 November 2025).

[REDACTED], Head of Corporate Affairs, left the meeting.

Sections of the minute have been redacted and are exempt from publication under s.38(1)(b) of the Freedom of Information Scotland Act 2002.

Items for Discussion

13. Borrowing and Enhanced Investment Powers

[REDACTED], Head of Aquaculture, and [REDACTED], Asset Manager, re-joined the meeting in person.

Noted:

- 1) The Chair of the Board recognised the previous two agenda items had overrun in terms of allocated time. To address this the Chair asked Board Members whether they were content for item 15 on the internal audit report of Corporate Governance to be a discussion without the need for the Senior Internal Audit Manager to remotely join the meeting. It was agreed that Board Members were clear on the report and therefore [REDACTED] could be stood down from attending.
- 2) Ronan O'Hara and Alastair Milloy shared a presentation on the operational context for CES in relation to borrowing and investment, enhanced powers and navigating the current economic and political uncertainties.
- 3) Discussion focused on the opportunities and challenges of the current legislative framework for CES and how this could be addressed.
- 4) Adam Bruce queried whether CES could borrow from The Crown Estate. The Chair of the Board confirmed this could not be done without secondary legislation.
- 5) Risk appetite was explored, and on this the Board recognised the position of CES going forward will be dependent on the level of settlement from Scottish Government in support of our new Corporate Plan.
- 6) Discussion focused on the opportunities and benefits of joint ventures. It was recognised these would be the most appropriate way for CES to invest given current CES resource and legislative constraints. Projects might include solar panels in fields and wind farms on the estates.
- 7) The Chair of the Board emphasised the importance of signalling CES ambition. The Board agreed it was important to be ambitious, however the timing for exploring new borrowing and investment powers was not currently optimal with Advance Programme and uncertainty around the

Corporate Plan financial settlement. However, there was scope for exploring joint ventures under existing arrangements.

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14. Financial Information Workshop

[REDACTED], Financial Controller, joined the meeting in person.

The Chair of the Board welcomed [REDACTED] to introduce the report which had been previously circulated. [REDACTED] highlighted the purpose of the workshop was to ascertain the level of financial information Board, Investment Committee and Audit and Risk Committee need to discharge their duties.

Noted:

- 1)** [REDACTED] presented different options for financial information reporting, including by estate, asset type, and the current hybrid approach. The Board discussed the most useful format for board assurance and decision-making.
- 2)** The Chair of the Board asked about the level of resource to service different types of reporting. [REDACTED] advised that should the Board require additional reporting to what is already being offered the Finance team would require additional resource.
- 3)** The Board were complimentary about the quality of the current reporting provided by the Finance team and shared that information by estate and asset class would be helpful. This would help determine the level of return on our assets and whether they were value for money. It would also encourage further exploration of longer term risks and inform broader decisions on levels of investment and divestment.
- 4)** Discussion about annual valuations being for accounting purposes, and therefore not a basis on which to determine open market value.
- 5)** The Data project in the Advance Programme and is looking at the Total Cost of Management projects will help unlock more meaningful management information for future planning which is currently not available. The Board asked what proxy information we can use now to help assess the performance of the estate currently.
- 6)** The Board agreed the best option for reporting would be by estate and encouraged further thinking on additional proxy information which could be added without the need for additional resource.

Sections of the minute have been redacted and are exempt from publication under s.38(1)(b) of the Freedom of Information Scotland Act 2002.

Lunch

Management Reports

15. Corporate Governance Internal Audit Report

The Chair of the Board welcomed attendees back to the meeting and invited Martin McEwen to introduce the Corporate Governance internal audit report which has been submitted to ARC on 23 May 2025 and was subsequently remitted to the Board for further discussion.

Noted:

- 1)** The Board acknowledged the findings of the report appear to reflect the operational circumstances at the time and scope of the internal audit review. Governance capacity had been low given staff turnover and [REDACTED]. The review highlighted the importance of corporate memory, and the need for the documentation of policy, procedures, and handover. They also acknowledged many of the findings and recommended actions has already been anticipated in the Board Effectiveness Plan adopted following the Board effectiveness review undertaken in 2024.
- 2)** The Chair of the Board requested the ARC provide an update on progress with the recommendations arising at the end of 2025/26 financial year.

Action 45/15/1: Audit and Risk Committee to provide an update to Board on Corporate Governance internal audit report recommendations at end of financial year 2025/26 (31 March 2026).

Sections of the minute have been redacted and are exempt from publication under s.38(1)(b) of the Freedom of Information Scotland Act 2002.

16. Finance Report

The Chair of the Board invited [REDACTED], Financial Controller to introduce the Finance Report.

Noted:

- 1)** [REDACTED] highlighted the report recommended a process for the sign off of the Annual Report and Accounts, due to Scottish Government by 30 June 2025.

- 2) The Board **agreed** to the approach outlined, which was for the Chair and Chair of ARC and IC to be given delegated authority to approve the signing of the FY24/25 annual report and accounts.
- 3) The Board will have the opportunity in late Autumn to approve the finances following the report from the external auditors Audit Scotland.

Sections of the minute have been redacted and are exempt from publication under s.38(1)(b) of the Freedom of Information Scotland Act 2002.

17. People Report

The Chair of the Board invited Alastair Milloy, Director of Finance and Business Services to introduce the Finance Report the People report.

Noted:

- 1) Sickness levels continue to be relatively low.
- 2) A new staff survey provider had been procured given the previous provider was no longer operating. The staff survey is scheduled for circulation in July 2025.
- 3) Good progress with Equality, Diversity, and Inclusion (EDI) training.

18. Board Expenses Policy

The Chair of the Board invited [REDACTED], Financial Controller to introduce the Board Expenses Policy.

Noted:

- 1) The policy was **approved**.

[REDACTED], Financial Controller, left the meeting.

Sections of the minute have been redacted and are exempt from publication under s.38(1)(b) of the Freedom of Information Scotland Act 2002.

19. Policy Register (Verbal Update)

The Chair of the Board invited [REDACTED], Interim Head of Corporate Governance to provide a verbal update on the policy register.

Noted:

- 1) An internal review of the policy register was undertaken during Summer 2024 to ensure all policies and procedures were recorded and were subject to the appropriate governance. As such, a classification review is currently in progress.
- 2) It was agreed the Board should have sight of specific policies with compliance implications including Data Protection, Records Management and Freedom of Information / Environmental Information Regulations.
- 3) The Board requested a report be submitted for consideration at the next Board meeting with recommendations on policies for Board level approval.

Action 45/19/1: Interim Head of Governance to bring Policy Review report outlining recommendations to the next Board meeting (1 October 2025).

Sections of the minute have been redacted and are exempt from publication under s.38(1)(b) of the Freedom of Information Scotland Act 2002.

20. Annual Report on Freedom of Information / Environmental Information Requests

The Chair of the Board invited [REDACTED], Interim Head of Corporate Governance to introduce the Annual Report on Freedom of Information (FOI) requests and Environmental Information Regulations (EIR) requests in absence of [REDACTED], Information and Records Manager.

Noted:

- 1) The Board were assured information requests were being responded to within statutory timescales.
- 2) There had been an increase in the number of information requests since 2023/24, and while this does not appear substantial, the level of resource required to service these can be substantial depending on the nature of the request.
- 3) The Board queried the types of requests received and were advised most requests related to salmon fishing, tenancy matters and procurement.
- 4) The Board requested a quarterly report on FOIs and EIRs be submitted to Board meetings that provided data on the type of information being requested.

Action 45/20/1: Information and Records Manager to provide a quarterly report on FOI and EIR to the Board (ongoing).

Sections of the minute have been redacted and are exempt from publication under s.38(1)(b) of the Freedom of Information Scotland Act 2002.

21. Annual Report on Complaints

The Chair of the Board invited [REDACTED], Interim Head of Corporate Governance to introduce the Annual Report on Complaints.

Noted:

- 1) The Board acknowledged the level of complaints during 2024/25 and queried whether appropriate remedial action was in place for underperforming managing agents, for which four complaints had been upheld. Ronan advised an improvement plan had been put in place.

Sections of the minute have been redacted and are exempt from publication under s.38(1)(b) of the Freedom of Information Scotland Act 2002.

22. Stakeholder Engagement

[REDACTED], Head of Corporate Affairs, rejoined the meeting in person.

The Chair of the Board invited [REDACTED], to provide an update on stakeholder engagement.

Noted:

- 1) The Board acknowledged the positive work being undertaken to engage with MPs, following the successful awareness raising at the Dover House reception in March 2025.
- 2) Strong and coordinated engagement on the impact of the [REDACTED]* report and the Corporate Plan consultation was ongoing via briefings, social media, online sessions, letters, emails, and newsletters.

[REDACTED], Head of Corporate Affairs, left the meeting.

Sections of the minute have been redacted and are exempt from publication under s.38(1)(b) and s.33(1)(b)* of the Freedom of Information Scotland Act 2002.

23. Campbell Tickell Board Effectiveness Plan Progress

The Chair of the Board invited [REDACTED], Interim Head of Corporate Governance to introduce the report on Campbell Tickell Board Effectiveness Plan Progress.

Noted:

- 1)** The Board acknowledged progress with the Board Effectiveness Plan agreed by Board on 27 November 2025. It was recognised resourcing and changing membership of the Board are factors hindering progress on actions being completed.
- 2)** The Board considered the recommendation to incorporate reporting on progress with the Board Effectiveness Plan into the Governance workstream of the Advance Programme. It was agreed to keep reporting to the Board on the status of the Board Effectiveness Plan as a separate report.
- 3)** The Chair of the Board requested actions arising from the Board Effectiveness session on the morning of 5 June 2025 be incorporated into the Board Effectiveness Plan. Liz Leonard was unable to attend the Board meeting on 5 June due to the change of date.

Action 45/23/1: Interim Head of Corporate Governance to incorporate actions from Board Effectiveness session into Board Effectiveness Plan for monitoring (1 October 2025)

Sections of the minute have been redacted and are exempt from publication under s.38(1)(b) of the Freedom of Information Scotland Act 2002.

24. Board Annual Appraisals

The Chair of the Board highlighted annual Board appraisals would be taking place imminently.

Action 45/24/1: The Chair of the Board to send new Board Member, Martin McEwen the appraisal form for completion when the at the end of financial year 2025/26 (5 April 2026).

Conclusion

25. Any Other Business

The Chair of the Board queried whether the Investment Strategy had previously been reviewed at Board. Ronan O'Hara confirmed this was his understanding and Jean Lindsay confirmed this was the case.

26. Review of the Meeting

The Chair of the Board invited attendees to review the meeting.

Noted:

- 1)** The Board acknowledged the long duration of the meeting, the lack of discipline on timing of certain items. It was agreed discussion and debate had been candid and constructive.
- 2)** The Chair of the Board highlighted the importance of creating space on future agendas for strategic items.
- 3)** Ronan O'Hara proposed that a guest speaker slot be piloted and the Board welcomed this suggestion.

27. Date of the Next Meeting

The Chair of the Board noted that the next scheduled meeting date of 24 September 2024 was likely to change following recommendations from the internal audit report on Corporate Governance. He invited [REDACTED] Interim Head of Corporate Governance to provide an update on the scheduling of meetings.

Noted:

- 1)** A Board consultation had been circulated to all Board Members on 30 May 2025 via email with a deadline of 30 June 2025. The consultation provided three different options of rescheduled dates for the remainder of 2025. The dates being considered were 1 October or 8 October.
- 2)** Adam Bruce noted he had not seen the email, and requested future emails be appropriately marked to flag whether a response was required within a certain timescale.

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