

REPORT TO INFRASTRUCTURE SERVICES COMMITTEE – 20 JANUARY 2022

CROWN ESTATE SCOTLAND FUNDING

1 Executive Summary/Recommendations

This Report provides an update on Crown Estate Net Revenues managed by the Council. It particularly focuses on funds from the first and second allocations made to the Council at risk of not being spent by the deadline of 31 March 2022. It proposes the decommitment of funding from the Newburgh Seal Watching Experience project which can no longer be delivered within the required timescale and an expedited process for reallocating these funds to other projects through Chief Officer delegation. It proposes a time-limited alternative funding solution for the project, subject to the project being deliverable in the 2022/23 financial year.

1.2 The Committee is recommended to:

1.2.1 Note the updated position for Crown Estate Net Revenue spend and recent project awards;

1.2.2 Delegate the authority to award any uncommitted funds from the first and second allocations of Crown Estate Net Revenues to the Head of Planning and Economy following consultation with the ISC Chair, Vice Chair and Opposition Spokesperson and the relevant Area Committee Chair and Vice Chair;

1.2.3 Decommit the grant of £100,000 from the first allocation of the Crown Estate Net Revenue made to Newburgh and Ythan Community Trust SCIO by Committee on 21 January 2020;

1.2.4 Agree in principle the award of a grant of £100,000 to Newburgh and Ythan Community Trust SCIO for the Newburgh Seal Watching Experience project from the next allocation, subject to the conditions set out at 3.5 to this report.

2 Decision-Making Route

2.1 Crown Estate Scotland generates income from a range of marine assets (aquaculture, offshore renewables, moorings and other coastal income). Aberdeenshire Council receives a proportion of this income annually to be used for coastal community benefit such as support for local projects or initiatives.

2.2 Aberdeenshire Council has received a total of £770,916.15 to date through two separate annual allocations (2019/20 and 2020/21). A further allocation for 2021/22 of £716,469.98 has been received. Officers have requested an extension to the timeframe for spending this allocation into 2022/23. A further allocation is expected in 2022/23.

2.3 At its meeting on 20 January 2020 ([Item 13](#)), Committee agreed:

- (1) to approve the funding allocations and investments in projects within coastal communities, as set out at paragraphs 4.4 to 4.6 to the Report;
- (2) to approve that unallocated funds from the 2019-20 tranche be carried forward into the next Aberdeenshire bidding round; and
- (3) to note that a formal policy for the use of future allocated funds from the Scottish Crown Estate (Coastal Communities Fund) would be developed and consulted on with Area Committees, and then brought back to the Infrastructure Services Committee for consideration within 6 months.

2.4 At its meeting on 11 March 2021 ([Item 12](#)), Committee agreed:

- (1) to endorse the proposed framework for the use of Crown Estate Scotland Funding set out at Appendix 4 to the Report;
- (2) to approve the allocation of 50% of future Crown Estate Scotland allocations to the Council's four coastal Area Committees, divided equally between them;
- (3) to approve the allocation of 50% of future Crown Estate Scotland allocations to an Aberdeenshire Coastal Communities Challenge Fund; and
- (4) to approve the extension of the deadline to commit and spend any unspent funds from the second Crown Estate Scotland allocation to 31 March 2022.

2.5 At its meeting on 25 November 2021 ([Item 9](#)), Committee agreed:

- (1) to note the annual Report on Crown Estate Scotland funding managed by Aberdeenshire Council;
- (2) to reallocate any presently uncommitted funds outside of the Area Committee allocations to the Aberdeenshire Coastal Communities Challenge Fund.

3 Discussion

3.1 A Challenge Fund round was held to reallocate underspends, with a range of bids being considered on 8 December 2021. NESFLAG recommended approval of the following projects:

Title	Organisation	Total Costs	Grant	Summary
EGCP - Education and Outreach Development Project/Programme	EGCP Ltd	£5,128.92	£4,616.03	Pop-up banners, a-frame signs, binoculars and telescopes to support the work of the East Grampian Coastal Partnership.
Banff Sailing Reborn Post Covid, the Heart of Historic Banff Harbour	Banff Sailing Club	£18,346.56	£16,312.56	Upgrade of clubhouse (new door, gas fire) and boat equipment (sails, new rib engine, radio).
Sandend Hall & Field Recreational Equipment	Sandend Amenities Council	£3,213.09	£2,891.09	Goal posts, basketball stand, games equipment at Sandend Hall/field.
Cow and Coast Tours	Down on the Farm	£9,360.00	£4,680.00	Purchase of quad bike for farm tours near Rosehearty.
Newburgh Seal Watching Experience Project - Phase 1	Newburgh and Ythan Community Trust SCIO	£352,201.67	£5,001.67	Redesign and replacement of existing car park at Newburgh Links.
Balmedie Sports Facilities Landscaping	Balmedie Leisure Centre Association	£3,842.00	£3,457.80	CCTV and defibrillator at football pitches in Balmedie Country Park.
St Cyrus NNR, Beach Wheelchairs	NatureScot	£7,106.00	£6,395.40	Purchase of two beach/all terrain wheel chairs to be used at St Cyrus nature reserve.
ASYC Clubhouse Enhancement	Aberdeen and Stonehaven Yacht Club (ASYC)	£12,109.00	£9,687.20	Upgrade of clubhouse (new doors, windows, heating) at Stonehaven.
	TOTAL	£411,307.24	£53,041.75	

3.2 Following consultation with the Chair, Vice Chair and Opposition spokesperson, all bar one of the recommended approvals were signed off by the Head of Planning and Economy. Between the NESFLAG meeting and Council decision, Newburgh and Ythan Community Trust SCIO advised that their preferred contractor would not be able to begin work this financial year. As funding from the first two Crown Estate allocations must be spent by 31 March 2022, it was therefore not possible for the Council to award this grant.

3.3 This has implications for two further allocations of Crown Estate funding, both with the same spend deadline. Firstly, ISC approved an award of £100,000 on 20 January 2020 ([Item 13](#)). Secondly, Formartine Area Committee approved

an award of £20,000 on 7 December 2021 ([Item 8](#)). In addition, the Council has secured £130,500 of funding from Visit Scotland's Rural Tourism Infrastructure Fund towards the project for the group.

- 3.4 As it is highly unlikely that the original £100,000 ISC award could be spent this financial year, it is recommended that this be decommitted from the project. This – and any other Crown Estate tranche 1 or 2 funds - would then be recommitted to other projects, with decisions delegated to the Head of Planning and Economy following consultation with the Chair, Vice Chair and Opposition spokesperson.
- 3.5 In order to provide the group with a further opportunity to deliver the project, it is also recommended that an allocation of £100,000 from Crown Estate allocations which can be spent in 2022/23 is ringfenced for this project up until 30 September 2022. Provided that the group is able to obtain a full funding package by this date and deliver the project within the next financial year, a grant of £100,000 would be awarded to the group for the project.
- 3.6 The implication of this recommendation is that the next allocation of £716,470 will be reduced by £100,000 to £616,470. When the agreed framework for distribution of the Crown Estate Net Revenue funding is applied, this will mean £308,235 allocated to the NESFLAG Challenge Fund and the remaining £308,235 split equally across the four coastal Area Committees, meaning an allocation of £77,058 each.

4 Council Priorities, Implications and Risk

- 4.1 Crown Estate net revenue funding supports projects which contribute to the following Council priorities:

Pillar	Priority
Our People	Education Health & Wellbeing
Our Environment	Infrastructure Resilient Communities
Our Economy	Economy & Enterprise

- 4.2 The table below shows whether risks and implications apply if the recommendation(s) is (are) agreed.

Subject	Yes	No	N/A
Financial	X		
Staffing		X	
Equalities and Fairer Duty Scotland		X	
Children and Young People's		X	

Rights and Wellbeing			
Climate Change and Sustainability		X	
Health and Wellbeing		X	
Town Centre First		X	

4.3 The financial implications of the report recommendations are that the £100,000 of funding from the first allocation of Crown Estate Scotland net revenues may need to be returned to the Scottish Government if it is not recommitted to projects deliverable by 31 March 2022. £10,000 of this funding (plus £13,050 of Rural Tourism Infrastructure Fund) monies have already been paid to Newburgh and Ythan Community Trust as a 10% advance payment. There is a risk that they will not be able to repay these funds to the Council unless a further grant from later financial years is awarded.

4.4 The screening section as part of Stage One of the Integrated Impact Assessment process has not identified the requirement for any further detailed assessments to be undertaken. This is because the main recommendation of the report is to agree a delegation to the Head of Planning and Economy to award Crown Estate funding to presently unidentified projects. Other report recommendations relate to reallocating a previously-agreed grant award to a different financial year. These decisions would appear to have an impact on any of the assessment areas.

4.5 The following Risks have been identified as relevant to this matter on a Corporate Level:

The following Risk has been identified as relevant to this matter on a [Corporate Level](#):

- ACORP001 - Budget Pressures

The following Risk has been identified as relevant to this matter on a [Strategic Level](#):

- BSSR003 - We live within our means and use public money to maximise outcomes for our communities

5 Scheme of Governance

5.1 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this Report and their comments are incorporated within the Report. They and are satisfied that the Report complies with the Scheme of Governance and relevant legislation.

- 5.2 The Committee can consider and take a decision on this item in terms of Section F.1.1b of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to an Economic Development resource matter.

Alan Wood, Director of Environment & Infrastructure

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17 December 2021