

Supporting Impact

Scottish Crown Estate Net Revenue: Local Authority Use and Insights

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Scottish Crown Estate

Net Revenue:

Local Authority Use and
Insights

This report has been compiled for the Scottish Government by authors from One Planet Consulting and C2W Consulting.



Foreword

The Scottish Crown Estate Net Revenues scheme is an important milestone in Scottish Government's commitment to empowering our coastal and island communities. The COVID-19 pandemic hit only a few months after the first round of net revenues was issued, causing huge challenges for Local Authorities and having a significant impact on their early planning for net revenue use. Against this backdrop, it is encouraging to see such levels of thought and imagination put into the approaches developed across Local Authorities for using the net revenue payments to deliver benefits to communities.

As this study notes, the pandemic is not the only emergency we face. The climate and nature emergencies are likely to be particularly keenly felt by our coastal and island communities, and will require action from the whole of society. We need to act quickly and at scale to tackle these emergencies, and the Scottish Crown Estate net revenues will play a key role in supporting communities to help address these challenges. The findings of this report will help us, together with Local Authorities, make sure the right decisions are made for the Crown Estate net revenues to have the maximum positive impact.

I am encouraged by the level of constructive engagement by Local Authorities with the development of this report and the learning which we can take from it. I will be working with colleagues across Scottish Government including Marine Scotland Directorate, and COSLA, to consider and respond to the report's findings. In doing so, I will be guided by our commitment to address the climate and nature emergencies and ensure a just transition to net zero for communities, and the need to identify approaches that have larger scale impact.

The third round of net revenue payments will begin shortly. As we move forward, strategic approaches such as cross-border activity between Local Authorities and innovation will be key to achieving the change we need to work towards a green recovery, thriving blue economy and just transition to net zero.

Finally, I would like to thank everyone who contributed to this report for their collaborative efforts, during a period of unprecedented challenges for both people and organisations. My particular thanks to COSLA and to Local Authorities for their support for, and participation in this process. I look forward to working together on using its findings to maximise the potential of Scottish Crown Estate net revenues for communities going forwards.

Màiri McAllan MSP

Minister for Environment, Biodiversity and Land Reform

Executive Summary

Net revenues from the Scottish Crown Estate have been distributed to Local Authorities for the benefit of local communities since 2019. This study was commissioned by the Crown Estate Strategy Unit (CESU) of Scottish Government's Marine Scotland Directorate, as part of the review process for the first two rounds of distribution of Crown Estate net revenues.

This study has been conducted as our society, and every element of government within it, is wrestling with a succession of global challenges. On top of the existing climate and nature emergencies, the COVID-19 pandemic has placed extraordinary demands on our existing social and economic systems, which is reflected in the responses collated within the report. However, the need for community and government at all levels to respond to these emergencies has not reduced, nor has the importance of a place-based, coordinated and efficient use of resources. This report is therefore not only a reflection of the previous use of Scottish Crown Estate net revenues, but also a consideration of the lessons learned to provide insights to driving future impact.

This study is reported in two main parts:

Section 1 explores the background and context of net revenues, considers the drivers behind decisions around how net revenues are spent and explores lessons that can be noted.

Section 2 is set out as insights derived from the research and explores ways to scale the impact of the net revenues, how to foster innovation, and how to best unlock the impact of collective action.

The distribution of net revenues from the Scottish Crown Estate to Local Authorities is designated for the benefit of coastal communities. The first two rounds (2017-2018 and 2018-2019 revenues) distributed more than £16,895,000 to Local Authorities in Scotland, and each adopted a unique, place-based approach to the use and distribution of net revenues. Projects ranged from the small-scale and community-led approaches, such as beach cleans and wildlife gardens, to large-scale infrastructure projects such as coastal flood defences.

Feedback from Local Authorities highlight the benefits of flexible, large-scale (for some) regular monies that can be used for a variety of community priorities. The study also highlights some of the potential future considerations for net revenues distribution, including the value of future income certainty, further support and guidance on increasing impact, and continued proportionate reporting.

Overall, net revenues have and will continue to offer an exciting opportunity to achieve community-driven environmental and socio-economic outcomes. There is considerable scope for future rounds to move towards a greater contribution to national priorities around green recovery, blue economy and a just transition to net zero, through larger-scale cross-border approaches, leverage and innovation.

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Table of Acronyms

Acronym	Description
CCF	Coastal Communities Fund
CES	Crown Estate Scotland
CESU	Crown Estate Strategy Unit
CO ₂	Carbon dioxide
COP 21	21st Conference of the Parties to the United Nations Framework Convention on Climate Change
COSLA	Convention of Scottish Local Authorities
COVID-19	Coronavirus disease 2019
DAC	Development Assistance Committee
DTAS	Development Trusts Association Scotland
EU	European Union
FLAG	Fisheries Local Action Groups
LA	Local Authority
LEADER	Liaison entre actions de developement de l'economie rurale
NESFLAG	North East Scotland Fisheries Local Action Group
OECD	Organisation for Economic Cooperation and Development
SME	Small and mid-size enterprises
UN	United Nations
WEF	World Economic Forum

Aims and Purpose

Context

Crown Estate Scotland are responsible for managing national assets for the benefit of Scotland and its communities, in a way that is sustainable and that generates value in terms of money, social wellbeing, and enhancement of the natural environment. Since 2019, net revenues from activities within 12 nautical miles have been passed to individual councils, and each has been responsible for administering these monies for the benefit of coastal communities.

Purpose

This study was commissioned by the Crown Estate Strategy Unit (CESU) of Scottish Government's Marine Scotland Directorate as part of a review process for the first two rounds of distribution of Crown Estate net revenues. The review process included two elements, the first focused on the formula used to calculate the proportion of net revenues distributed to each Local Authority (LA). This element of work was led by CESU working with other stakeholders, including the Convention of Scottish Local Authorities (COSLA). The second element was to explore, understand and share the approaches taken by Local Authorities to use these revenues to provide benefit to their coastal communities. This element provided the basis for this report.

Structure

This report is divided into two main sections. The first section describes the background to net revenues, the research methodology, findings and lessons learned from the initial rounds of net revenue distribution. The second section draws on successes and challenges from the initial projects, alongside other wider initiatives, to provide suggestions to Scottish Government and Local Authorities on how to maximise impact in future rounds.

Aims

1. To gather information about the approaches taken and priorities identified by Local Authorities across the first rounds of net revenue distribution, including their approach to risk and innovation, how they defined and engaged with communities and how they measured impact.
2. To explore the drivers of their decision-making, and identify common themes, successes and limitations.
3. To share these approaches and findings across all relevant stakeholders to support knowledge exchange and peer-to-peer learning.

4. To showcase additional examples and approaches to innovation, impact and scale that will support future decision-making in relation to the use of net revenues to support a just transition to a net zero economy, the green recovery from the pandemic and the delivery of the blue economy action plan.



Section 1

Scottish Crown Estate Net Revenue
Local Authority Use

Methodology

The study was commissioned in June 2021 and ran for four months to September 2021. Due to the short timeframe and capacity pressure within stakeholder organisations due to the COVID-19 pandemic, this study aimed to draw out high-level lessons only.

Noting the commitment from Scottish Government to adopt a proportionate approach to reporting, we grouped the 26 Local Authorities who receive net revenues into three groups based on the total allocation in each round. The first group received the highest allocation (high-tier; £200k+ per annum), the second group received a smaller proportion (mid-tier; £40k - £200k), and the third group received a minimal allocation (low-tier; £1k - £10k).

The nature and the purpose of this study lead to a narrative (qualitative) discussion, exploring the themes and drivers behind decision making and seeking to offer concepts for consideration in the place-specific context of each Local Authority. This report therefore does not contain a detailed critique of each item of expenditure.

Research and Interviews

In order to understand the use of net revenues during the first two rounds, this study researched the publicly available information on the decisions taken by Local Authorities regarding the use of net revenues in order to identify common themes and successful approaches. It also explored other concepts, policies and ideas that could support decision-making to provide community benefit.

Our research and structured interviews focused on five broad themes:

1. Local Authority approach and the priorities/outcomes
2. Risk and innovation
3. Community engagement and voice
4. Measuring impact
5. Transparency and accountability

The £200k+ group (comprising seven Local Authorities) represented 90.7% of the fund with the £40k-200k and £1k-10k groups accounting for only 9.0% and 0.3% respectively.

Our approach to each group differed, with more time asked of the £200k+ group, including one to one discussions and follow up as required, and proportionately less time asked of the £40k-200k group. We chose not to approach the £1k-10k group for meetings and instead sent them an update, sharing emerging themes and seeking comment on those themes.

We also approached a series of other stakeholders to explore their views and potentially relevant concepts, including COSLA, Crown Estate Scotland, Development Trusts Association Scotland (DTAS) and project and policy leads across Scottish Government. From these discussions, we identified several case studies which highlight potential investment or distribution approaches, and these have been detailed within this report.

Analysis and reporting

The products of our research and analysis have been gathered and presented in this report.

Follow-up meetings

The final element of the approach is to engage with Local Authorities after publication of this report. The aim of this phase is to offer an opportunity to provide additional detail on any of the concepts raised, or to provide links to projects or other stakeholders that may be helpful. This will also allow an opportunity to evaluate any changes to the approach that are planned for the third round of redistribution of net revenues by Local Authorities.

Background

The Scottish Crown Estate generates value through leasing and sustainable management of assets across Scotland, including much of the foreshore, seabed and fishing rights. In 2014, the Smith Commission, established to discuss devolution of powers, recommended that the management of Crown Estate assets in Scotland should be devolved from UK level. These recommendations were accepted, and legislation within the Scotland Act 2016 including provision for the devolution of Crown Estate assets in Scotland. Crown Estate Scotland (CES) was established by the Crown Estate Scotland (interim management order) in 2017, and took on the responsibility for the Scottish Crown Estate.

Crown Estate Scotland is a public corporation of the Scottish Government. It sits in the broader portfolio of activity supported and led by Marine Scotland Directorate and the Crown Estate Strategy Unit (CESU). Marine Scotland Directorate and CESU work to ensure harmony between the different activities and funds that are available to support coastal communities.

Crown Estate Scotland

Crown Estate Scotland manages the assets of the Scottish Crown Estate, which span seabed, coastline, rural estates and more, including key sectors such as offshore renewables, aquaculture, farming and ports and harbours. Their core purpose is investing in property, natural resources, and people to generate lasting value for Scotland. As managers and coordinators, Crown Estate Scotland's priorities and actions are intended to complement, guide and support both Scottish Government and Local Authority decision-making.

The Crown Estate Scotland [corporate plan](#) identifies priorities for the organisation moving forward, focusing on the responsibility to manage the assets in a way that delivers for all, including building a net zero emissions economy. This includes raising and reinvesting capital to secure long-term revenue streams, with a key focus on activity that helps meet Scotland's target of net zero emissions by 2045.

Crown Estate Scotland's new strategic framework within the CES corporate plan focuses on five key objectives:

1. supporting sustainable expansion of the blue economy
2. creating great places
3. promoting sustainable natural resource use
4. involving people in how the Estate is managed
5. using skills to benefit others

From 1999 to 2014 the Marine Stewardship Fund was the principal mechanism used by The Crown Estate to support communities. From 2013 to 2017, support was achieved through the competitive Coastal Communities Fund (CCF) managed by the BIG Lottery. This funding of CCF also established a link to net revenues, with the funds being derived from 50% of the net revenues from Crown Estate Marine Asset Activities. The CCF has now closed with the final tapering of support wrapped into the first round of net revenue distribution. Further details on these funds are in Annex 1. Crown Estate Scotland now manages other funding opportunities, such as the [Capital Investment Challenge Funds](#), which are designed to invest in opportunities which contribute to meeting CES core objectives.

The challenge funds cover three themes:

1. Boat-based tourism
2. Local partnerships
3. Innovation with natural resources

Net Revenues

The commitment to giving island and coastal Local Authorities a share of the net revenue generated from the Scottish Crown Estate out to 12 nautical miles was set out in the 'Empowering Scotland's Island Communities' prospectus. Published on 16 June 2014 and recommended jointly by Scottish Ministers and Island Council Leaders, the prospectus was later extended in 2016 to include coastal councils.

"I believe strongly in maximizing the benefits of the Scottish Crown Estate and the allocation of £7.5 million to coastal communities the length and breadth of Scotland is the latest step in achieving this.

The new funding arrangement will see coastal communities receive 100% of revenue generated from the Estate's marine assets out to 12 nautical miles around Scotland, enabling them to better fund and support local projects and initiatives.

This government is delivering on our commitment to bring financial benefits to communities from the Scottish Crown Estate marine assets and enabling more decisions to be taken at the local level. I look forward to seeing how councils use this exciting opportunity to benefit their coastal communities."

Roseanna Cunningham MSP, Former Cabinet Secretary for Environment, Climate Change and Land Reform, 2019

Roseanna Cunningham, then Cabinet Secretary for Environment, Climate Change and Land Reform at the time, announced the commencement of the scheme on 29 September 2019.

It is important therefore to note that the distribution of net revenues is not a replacement “fund” for earlier funding streams, but rather a product of empowering local communities.

Ambition for net revenue distribution

The distribution of net revenues sits within the wider ongoing process of community empowerment and devolution. The Scottish Government has committed to bringing communities closer to decision-making including the management of the Scottish Crown Estate with the launch in 2021 of the transfer and delegation process, enabling direct community management of these assets.

The Scottish Government has highlighted major cross-cutting policy themes that are priorities for the net revenue fund. These include a *Just Transition to Net Zero*, the *Green Recovery* and the *Blue Economy* (see [Section 2](#) for further discussion).

In keeping with the ongoing empowerment agenda, Scottish Ministers have been deliberate in providing only limited guidance to recipients of net revenues on the expectations, constraints and focus of spending to support local decision making. The guidance was provided via a series of communications with Local Authorities, which we have summarised below, and is described in more detail in [Annex 2](#).

Vision

The overarching principle is that funding has to be used for the benefit of coastal communities.

Responsibility

Each local council has the responsibility to determine how to distribute the funds to achieve this objective, including who will benefit and the level of benefit. However, Scottish Ministers will provide guidance and expectations to assist decision-making.

Expectations

- The funds distributed annually should be **used within the financial year**, with exceptions for the initial year of distribution and the years disrupted by the pandemic
- The funding should be prioritised towards **new initiatives** to maximise value
- This is provided **as revenue**, but can be used for capital expenditure where appropriate
- **Consultative approaches** should be considered before distribution

Monitoring and evaluation

- Any reporting requirements will be **proportionate** to the revenue
- Each council should be able to **demonstrate the benefit** to the communities of the distribution of funds
- Each council should ensure that the distribution of funds is **transparent and accountable** to the communities and to government

Net revenue distribution and use

Round 1- Net Revenues from 2017-18 distributed in 2019

The net revenue generated by the Scottish Crown Estate was first distributed to local authorities through a mechanism as recommended and approved by COSLA in September 2019. The allocation to each local authority was based on the length of coastline in each area, with a de minimis payment of £1000. [Table 1](#) illustrates the distribution of net revenues to Local Authorities for the first two rounds and is split into the tiers used to shape the research approach.

The first-round distribution saw 26 of the 32 Scottish Local Authorities together receive ~ £7.5¹ million of net revenue generated by the Scottish Crown Estate in 2017-2018.

On 11 April 2020, Scottish Ministers announced that Local Authorities could use any remaining funds from their 2019/20 allocation to support businesses - including Third Sector organisations - in genuine need arising from the COVID-19 pandemic.

The net revenue allocations for 2019/20 from income generated in 2017/18 provided funding for more than 100 projects, ranging from £90 awarded by Aberdeenshire Council to the Marine Society for beach cleaning, to £595,693 awarded by Orkney Island's Council to support grants for local businesses affected by COVID-19.

Scottish Government's Marine Scotland Directorate published a report on Local Authority Expenditure of the net revenues in December 2020, which is [Enclosure 1](#). This assessment considered the use of funds against 8 primary objectives grouped under three broad outcomes, thus:

Environment

- Emissions reduction or waste removal
- Environment enhancement

Local economy

- Jobs
- Tourism
- Skills development
- Diversification projects

¹ Including monies to support final phases of the closing Coastal Community Fund projects.

Place

Investment for community purpose

Climate change adaptation

At the time of reporting, 67% of the fund had been committed. [Figure 1](#) below illustrates the proportion of this committed funding distributed in 2019 within each of the three primary outcomes noted in the report.

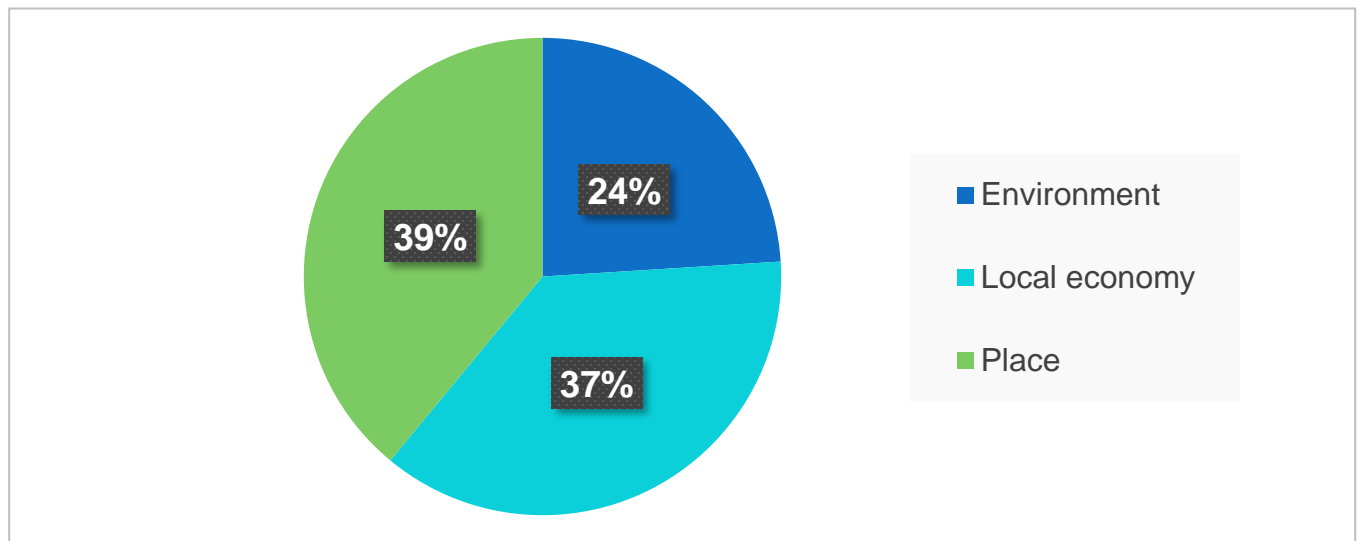


Figure 1. Proportion of Local Authority net revenue committed spend across the three primary outcomes in 2019: 24% on Environment, 37% on Local Economy, 39% on Place. Data provided by Marine Scotland's report of Local Authority Expenditure, Dec 2020; [Enclosure 2](#).

Round 2- Net Revenues from 2018-19 distributed in 2020

The second round of net revenue payments was announced on the 11 July 2020. The announcement showed an increase of over £2.5 million from the previous year to a total of £9,699,487. The distribution formula remained the same as Year 1. A summary of the distributions is provided in [Table 1](#) below.

Marine Scotland Directorate will publish an expenditure report for this period based on the same methodology as used for Year 1, expected in December 2021.

Table 1. Distribution of net revenue to Local Authorities during the first two years, split into three tiers based on the total allocation in each round; used to shape the research approach.

Allocation Tier	Local Authority	% Overall Share	Share of 2017-2018 (round 1)	Share of 2018-2019 (round 2)
High (£200k+)	Comhairle nan Eilean Siar	23.66%	£1,702,411.87	£2,295,031.34
	Highland	17.96%	£1,292,405.46	£1,742,299.32
	Argyll and Bute	15.51%	£1,115,864.35	£1,504,303.21
	Shetland Islands	14.02%	£1,008,679.18	£1,359,806.27
	Orkney Islands	10.75%	£773,673.43	£1,042,993.65
	Aberdeenshire	4.56%	£328,314.06	£442,602.09
	Dumfries and Galloway	4.29%	£309,041.03	£416,620.01
Mid (£40k-200k)	Fife	1.90%	£136,659.86	£184,231.95
	Moray	1.42%	£102,508.59	£138,192.43
	South Ayrshire	1.30%	£93,299.80	£125,778.00
	North Ayrshire	1.23%	£88,162.57	£118,852.48
	Angus	1.12%	£80,950.46	£109,129.78
	East Lothian	0.80%	£57,915.72	£78,076.52
	Scottish Borders	0.80%	£57,312.45	£77,263.25
Low (£1k-10k)	Aberdeen City	0.42%	£30,400.00	£40,982.41
	Edinburgh, City of	0.08%	£5,408.52	£7,291.25
	Inverclyde	0.05%	£3,476.20	£4,686.29
	Perth and Kinross	0.02%	£1,565.81	£2,110.87
	Falkirk	0.02%	£1,442.66	£1,944.86
	Dundee City	0.01%	£1,000.00	£1,290.84
	Clackmannanshire	0.01%	£1,000.00	£1,000.00
	Glasgow City	0.01%	£1,000.00	£1,000.00
	Renfrewshire	0.01%	£1,000.00	£1,000.00
	Stirling	0.01%	£1,000.00	£1,000.00
	West Dunbartonshire	0.01%	£1,000.00	£1,000.00
West Lothian	0.01%	£1,000.00	£1,000.00	
Total		100.00%	£7,196,492.02	£9,699,486.83

Findings

Through desk-based research and interviews with the largest net revenue Local Authority recipients, we identified the use of the revenues in the first two rounds. A table summary of the mid-tier recipients (£40k - £200k per annum) of net revenues is provided in [Annex 4](#), and more detailed summaries of the high-tier recipients (£200k+ per annum) is in [Annex 5](#). The lowest tier recipients had limited information available and de minimis recipients were not expected to report the use of their net revenues. Further detail of the first round of net revenue funding is available in [Enclosure 1](#).

As previously stated, our research was focused on the five priority research areas of: Local Authority approach and the priorities/outcomes; risk and innovation; community engagement and voice; measuring impact and transparency and accountability. Below, we explore the common themes arising from the research and interviews.

Approach and priorities

Local Authorities had all taken an individual approach towards the use and distribution of the funds, but common themes emerged from the interviews. The flexibility of net revenue funding has allowed the development of place specific approaches including how coastal communities have been defined and identified.

Definitions of “Coastal Community”

There was considerable variation in the way “coastal community” has been interpreted. Some have adopted definitions (“within 5 km of the coast”) whereas others, like the Island Councils, have assumed all areas are in scope owing to the close proximity to and interaction with the coast for their entire population. Others have used existing administrative boundaries (e.g. “only coastal wards are eligible”) whilst others have looked at projects individually. A minority had been challenged on their interpretation of “coastal community”, but clarification for the second round addressed those concerns.

The majority of Local Authorities noted their interest in how others had addressed this aspect of the net revenues, and a minority noted that clarification on the definition would be useful.

Strategic integration

All the Local Authorities interviewed had aligned their approach to the use of net revenues to their strategic plan and associated priorities. For the majority, this positioning was presented to the full Council, along with a series of recommendations, and signed off.

Beyond the alignment to the Local Authority plan there was only limited evidence of net revenue use linking to or developing more place-specific integrated long term plans like

adaptive shoreline management, regional marine planning or integrated coastal zone management. The development and use of these plans would help to unlock longer term strategic impact and nurture larger scale impact for the communities over longer time frames. There is also the opportunity to use a strategic approach of this nature to systematically embed an approach that encourages innovation and secures larger scale collective impact.

Central or Community decision-making

Every Local Authority wrestled with the choice of central- or community- led decision-making. In practical terms, this is the key decision in determining the approach, and the choice was rooted in the balance of priorities for the Council at the specific point in time. The choice was not as polarizing as it may at first appear. While the start points differ, the management tools available to support implementation helped to define a rich and varied spectrum of approaches in between. Engagement with communities is explored further in the [Community engagement and capacity building](#) section.

This challenge is the aspect of net revenue approach that sees the greatest levels of variation between Local Authorities, with each seeking to respond to the needs and opportunities particular to their place. Some have adopted a centralized decision-making approach, drawing on previously identified strategic issues and making fewer, larger investments. Others, like The Highland Council and Comhairle nan Eilean Siar, have adopted a distributed model supporting Area Committees or communities to assess and distribute the funds themselves. Other future considerations include the possibility of developing a participatory budgeting approach.

The recipients of the two largest net revenues allocations adopted a blended approach, with part of the monies allocated to strategic projects and the other allocated to areas/community led distribution and decision making. The group of Local Authorities receiving mid-tier allocations of £40k - £200k were constrained as the relatively small level of revenue available was not able to effectively cover more than one approach.

“Through other schemes, smaller communities can often get outvoted. If the decision is made through the Council, projects that don’t always benefit the most people but resolve issues that heavily impact smaller communities can be effected”

Outcomes

For the main part, socio-economic projects and outcomes have been supported ([see Figure 1](#)). This reflects the links all approaches have made to the overall aims and focus of their Local Authority strategy or plan, and to community needs. This focus has been reinforced in light of COVID-19, and the need for communities and local economies to respond and now recover.

Many have also noted a priority for the environment and a transition toward net zero. This has featured in different ways across the Local Authority approaches, with some noting these aspects as top level priorities and allocating the responsibility of the fund to a team in their environment work stream, others by adding climate change and environment team members to the internal decision-making group, and others still embedding expectations to tackle climate change or benefit the environment into the criteria of their fund.

“The flexibility of the fund offers a real opportunity to enhance Green Recovery and Biodiversity through funding key projects.”

Timing and pipeline

The direction to use the funds within the financial year saw a mixture of responses. Those responding most firmly focused heavily on their existing project pipeline to facilitate quick expenditure and address strategic challenges. Others choose to prioritise the involvement of the community in the process, accepting the risk that this would take longer but would result in deeper engagement and nurturing a longer-term pipeline of potential projects. The total pipeline of projects across the Local Authorities is limited and greater investment in the development of the pipeline will be needed to ensure the quality of projects and impacts remains high.

The pandemic has had an impact on all Local Authority timelines across both rounds of the fund. The majority of councils responded to the pandemic by adjusting the parameters of their approach, and building on existing socio-economic strands. A minority shifted their approach more fundamentally, including pooling these funds with other monies to make a COVID-19 response fund and, in one case, supplementing business grants directly by a further 10%. The response to COVID-19 is now shifting to (green) recovery, and we expect will be part of the broader considerations influencing approaches to the use of net revenues from round three.

“A longer-term commitment of the allocations would be welcomed, even if this is to a minimum grant size”

Risk and Innovation

Risk was considered by all the Local Authorities interviewed. Most approaches adopted by Local Authorities turned to the communities to develop the pipeline of potential projects through a bidding process. The risk appetite and management processes have therefore been established as a byproduct of the criteria and administration associated with this approach.

These have predominantly been built on well-established processes of existing or recently used funds – “like LEADER², but with less red tape”. This has also helped to ensure that each Local Authority achieves the levels of accountability expected by Scottish Ministers. The outcome is that the risk appetite for use of the net revenues and supporting risk management processes are very similar to numerous other activities Local Authorities run, which may limit innovation or high risk activities.

Despite this structural observation, we have noted a number of examples where risk/innovation has been explored further, with one of the largest recipients of revenues actively seeking to “de-risk” the prospect of investing in communities by addressing “drag factors” that currently limit the prospect of securing private funds. This has included a focus on flood mitigation, seawall improvements and coastal roads and other activities “that make towns and communities more investable”.

“For the First Year of Funding, the projects identified were those that needed to be delivered but didn’t already have a budget. As those prioritized projects are fulfilled, more ambitious projects may be considered and realized with the future allocations.”

Community engagement and capacity building

The intended use of net revenues are for coastal community benefit, and it is therefore appropriate to see community voice and community engagement feature across all the Local Authority approaches.

² LEADER (Liaison entre actions de developement de l'economie rurale) is a bottom-up partnership-based approach to rural development pioneered by the European Union since the early 1990's.

As noted earlier, some Local Authorities opted to be led directly by the communities in terms of distribution. This was mainly achieved through setting up a fund to distribute directly to communities. This was either managed by Area Committees or similar community-based structures who finalised the criteria and made the awards.

For those that adopted a central-led approach to distribution, it was recognised there was a need to meaningfully engage or respond to communities at a different point of the process. Some identified that previous community engagement, such as with the Local Development Plan, had highlighted areas of interest or key issues to be addressed, and therefore the revenues could be directed towards these already identified priorities. Aberdeenshire Council conducted a survey of their community in order to explore new priorities for the revenues. Others used existing contacts within the community such as local Councilors or community-based staff to bring in the community voice to their decision-making.

The development of community capacity or capability building (and now sometimes referred to as community confidence building) featured in a mixture of ways across all Local Authority approaches. For many that was a product of the applications that were successful, for others it was a more intrinsic element of the approach. One notable example was the Comhairle nan Eilean Siar who “top-sliced” the revenues to allow a one-off investment in the capabilities of community partnership boards, to equip them to support longer term distribution of monies and projects in their areas.

A further point to note is that some Local Authorities used the process itself to develop community capability too. For example, The Highland Council developed an in-house approach to working with applicants, including mentoring, support and feedback to help applicants to improve the current application and to be “better placed to deliver their next project”. This not only helped to ensure the “best” projects get support as the application does justice to the opportunity, but also develops longer term capability which will help to unlock longer term benefit and impact.

“Community managers work closely with the local outcome improvement plan, local community plan and Community Asset Transfers and as such have a clear oversight of communities, who they are and what groups are active and the developing eligible projects for these types of activities.”

Impact and measurement

All Local Authorities had considered and intend to assess impact, but this is very early in the process to be able to judge the success of various approaches.

For most Local Authorities, the approach to impact measurement is embedded in the broader methods for tracking and monitoring high-level outcomes of the Local Authority Plan or similar. This would therefore be assessed within the monitoring framework of that plan and may only give a proxy measure of success and may not be able to attribute an impact to a specific intervention supported by net revenues.

In addition to this high-level consideration, there are specific outcomes associated with each project. As the projects mature these measures will provide greater insight into the impact of each investment.

“Presently, projects are reviewed on how each priority of the partnership plan has been delivered against. In the future, we may look to implement ‘Post-Project Monitoring,’ however, we recognize that not all projects can be measured with metrics but rather by enhancement or community confidence.”

Transparency and accountability

There are a mixture of approaches across different Local Authorities to transparency and accountability. This is essential, as each Council is accountable directly to the Scottish Parliament for their use of net revenues.

Most Local Authorities have used existing systems and procedures, including decision making and reporting through established forums – i.e. the full Council or designated committees, current schemes of delegation, and the use of the Council website.

Most information was available in the public domain across all tiers (see summaries in Annex 3, 4 and 5), but some of this was difficult to find with decision making taking place at different levels and with committees across Local Authorities having different names. This was complicated further when the information was associated with other commercially sensitive information and therefore not reported openly.

Implications for future distribution

Discussions with Local Authorities highlighted several key themes regarding the use of net revenues in the first two rounds that may influence discussions for future rounds. The general feedback was that the fund was particularly powerful in its size and flexibility (more so for the recipients of high-tier net revenues), which enabled Local Authorities to make locally-relevant decisions, allow leveraging, and support innovation. Here, we highlight some key observations from the findings, and points for future consideration.

Flexibility

The net revenues are a notable source of income, as they offer a high level of flexibility. Effectively, the money can be used in any way that contributes to the benefit of coastal communities. Across round one and two of the distributions, that has included investment in capital and revenue, in activities led by the Local Authorities, in third sector organisations and businesses and in projects that vary from coastal defenses to community capacity building.

Specifically, this flexibility has allowed each recipient to have a free hand when developing and adopting their approach. It is therefore place-specific and allows a targeted response to the needs of that community at that time. The freedom also extends over time and supports changing the approach to allocations from round to round, to keep meeting the needs of coastal communities. These freedoms have also supported innovation and leveraging. Across rounds one and two that has included underwriting activity necessary to unlock large scale coastal defense work which would have otherwise struggled to secure funding, and community capacity building which establishes governance and capability to attract additional monies over time.

Disadvantages of this level of flexibility include that each Local Authority has to put in place its own decision-making structure, and these greater levels of differentiation in approach makes it more challenging to work across borders or in a networked way to maximise national level impact. There is also the risk that monies could simply be absorbed into existing activity – although the requirement for transparency and accountability manages that risk - and that short-term socio-economic projects can naturally become priorities over longer-term environmental benefits.

Observation:

There remains considerable scope for further explorations of these flexibilities and opportunities for innovation as Local Authorities approach round three and the intended green recovery from the pandemic.

There may be a benefit from providing increased support and guidance on working collectively towards national policy priorities that does not compromise the benefits of flexibility and allowing a place-based approach.

Net Revenue Allocations

The allocations of monies to support coastal communities for some Local Authorities is effectively smaller than the Coastal Communities Fund (CCF), as those who were successful through the CCF received sums which were many multiples larger than their current net revenue allocation. For some, in the mid-tier (£40k-200k), that has shifted focus away from specific projects towards community capacity building. For those in the lower tier, the allocation was often too small to be considered separately from other activity.

Observation:

Consideration of ways to address the impact of ending CCF and the establishment of net revenue on mid and lower tier recipients would be beneficial. This could include assessing if a parallel investment structure would address the impact and secure additional benefit for communities.

The de minimis allocation would benefit from being reassessed if a greater scale of impact is sought across the lower tier recipients of net revenues. Increasing it to a sum nearer the bottom of the middle tier (C. £40k) would allow approaches adopted in that tier (and the benefits associated) to be secured in the lower tier.

Annual Allocations

It was also noted that the lack of visibility of income levels from year to year has had a limiting impact on activity across all Local Authorities.

For the largest recipients that has been addressed through the setting and use of risk-appetite, with a modest assumption for future year funding which provides project leads some ability to plan into future years. For most however, the lack of knowledge has biased activity to single year commitments and one-off investments.

Observation:

It is important to note the limiting impact of annual decisions on the distribution of net revenues and the pursuit of strategic/large scale impact. Any steps that support longer term confidence in this income stream will allow a longer-term, and therefore more

strategic, approach to be adopted. This could include issuing provisional planning figures – a “not less than £...” budgeting figure for example - to support earlier planning for the subsequent round.

Planned reviews

The majority of Councils are considering adjustments to their approach to round three. The drivers behind the intended reviews vary, including impact and lessons from response to the pandemic, the need to develop a refreshed pipeline of activities, the changing needs of the community and the end of a one-off project. It was also noted by several interviewees that the Council elections, with any changes that may bring, means they are looking at a deeper review at the end of 2022, in anticipation of round four of net revenue dispersal.

Observation:

The timing of this study is good; arriving ahead of Local Authority led reviews of their own approaches for the third round of net revenue distributions. Noting the limiting impact of shortened planning timelines, any responses to this study would ideally be agreed in the Spring/Summer well ahead of Local Authority planning for the fourth round of distribution.

Commitment to proportionate reporting

The current reporting is standardised across recipients who received from £1,000 to over £2,300,000, and gathers very limited information – see [Enclosure 2](#). It does not explore the context of the decisions nor gathers information to enable consideration of transparency and accountability. While the minimal burden of reporting was appreciated by Local Authorities under pressure through the pandemic, a lack of reporting may hinder attempts to share best practice or evaluate the impact of the distribution.

There may be scope to improve the reporting structure without adding undue administration, for example, by asking for information to understand the approach each council has taken to meet their responsibilities (i.e. links to public documents illustrating the process adopted to ensure transparency and accountability), or a summary of the principles and priorities adopted to provide high level context. Furthermore, the approach could be differentiated to reflect the level of revenues received, with those receiving the lowest sums doing the simplest reporting.

Observation:

There is an opportunity to revisit the reporting approach for future rounds to address these observations.

Cross boundary coordination and knowledge transfer

The net revenues are distributed directly to individual Local Authorities and, at present, there is no formal mechanism to support, link or inform activity across Local Authority boundaries. The absence of this mechanism potentially limits innovation, peer to peer learning and development and the impact of projects.

There is evidence of a desire for this sort of activity, as all Local Authorities expressed an interest in understanding how others were approaching the use and distribution of net revenues. A mechanism to systematically support knowledge transfer and transfer innovation would allow some of the smaller recipients of monies to link to larger projects and improve efficiencies. Importantly, it would also improve and facilitate coordination and connectivity of activity across boundaries, and therefore increase impact for communities tackling large-scale challenges.

The development of a forum to support this work would also offer a way to share other ideas, emerging concepts and activity from across Scottish Government and to gather feedback.

Observation:

There is opportunity to consider and adopt mechanisms to support systematic knowledge transfer, and to encourage and coordinate cross boundary projects and collaboration.

Summary of observations

- There remains considerable scope for further explorations of the flexibilities of net revenue funding and opportunities for innovation as Local Authorities approach round three and the intended green recovery from the pandemic.
- There may be a benefit from providing increased support and guidance on working collectively towards national policy priorities that does not compromise the benefits of flexibility and allowing a place-based approach.
- Consideration of ways to address the impact of ending CCF and the establishment of net revenue on mid and lower tier recipients would be beneficial. This could include assessing if a parallel investment structure would address the impact and secure additional benefit for communities.
- The de minimis allocation would benefit from being reassessed if a greater scale of impact is sought across the lower tier recipients of net revenues. Increasing it to a sum nearer the bottom of the middle tier (C. £40k) would allow approaches adopted in that tier (and the benefits associated) to be secured in the lower tier.
- It is important to note the limiting impact of annual decisions on the distribution of net revenues and the pursuit of strategic/large scale impact. Any steps that support longer term confidence in this income stream will allow a longer-term, and therefore more strategic, approach to be adopted. This could include issuing provisional planning figures – a “not less than £...” budgeting figure for example - to support earlier planning for the subsequent round.
- The timing of this study is good; arriving ahead of Local Authority led reviews of their own approaches for the third round of net revenue distributions. Noting the limiting impact of shortened planning timelines, any responses to this study would ideally be agreed in the Spring/Summer well ahead of Local Authority planning for the fourth round of distribution.
- There is an opportunity to revisit the reporting approach for future rounds to address these observations.
- There is opportunity to consider and adopt mechanisms to support systematic knowledge transfer, and to encourage and coordinate cross boundary projects and collaboration.

Discussion and conclusions

The distribution of net revenues from the Scottish Crown Estate to Local Authorities to be used for the benefit of coastal communities is part of the Scottish Government's commitment to ongoing community empowerment and supports its commitment to the development of community management and decision-making. The first two rounds (2017-2018 and 2018-2019 revenues) distributed more than £16,895,000 to coastal Local Authorities in Scotland, with a deliberately flexible and light touch approach to guidance, restrictions and reporting.

Interviews with Local Authority representatives highlighted that the distribution of net revenues was considered a valuable resource, particularly in terms of the flexibility of the use and the minimal administrative burden. Some challenges were observed, such as the limited timeline and focus on spending within the year, but these should be reduced as revenues are distributed year on year and processes are established and embedded.

The flexibility of the approach was empowering and, in keeping with the broader goal to support local decision making, each Local Authority adopting a unique, place-based approach to the use and distribution of net revenues. Guidance changed during the second-round to allow for monies to be diverted towards COVID-19 pandemic emergency needs, which necessarily influenced the scope and scale of projects that have been supported over the first two rounds.

Projects ranged from the small-scale and community-led such as beach cleans and wildlife gardens, to large-scale infrastructure projects such as coastal flood defences. Overall, projects showed a bias towards smaller-scale, single projects and socio-economic outcomes, driven in part by the priorities set by the local approach. This was reinforced by the impact of the COVID-19 pandemic, which prioritised economic rescue and recovery for the second round of net revenues.

Discussions around risk and innovation highlighted that the response of most Local Authorities to risk was considered and proportionate. However, in the current form, the guidance on distribution of net revenues is wide in scope. This would potentially allow for Local Authorities to adopt a higher risk appetite, particularly around targeted new projects. While necessarily needing to be managed and appropriate for each area, this allows for future greater investment in innovation, opportunities to rapidly develop new approaches through offering 100% project funding, or a focus on proof-of-concept studies.

All Local Authorities considered how to effectively engage with community priorities in distribution, although approaches differed between each council area. Each approach has benefits and challenges which will vary, and there is no clear, one-size-fits-all approach. A broad distribution and decentralized decision-making process can bring communities to the

heart of the process, but may come at the cost of more cross-cutting projects, and may run the risk of funds being so widely dispersed that the impact is diluted.

Conversely, fewer, larger investments driven by a centralized decision-making process run the risk of being seen as distant to communities, lacking empowerment and could lead to disproportionate benefit for a minority in the community. These approaches need to be balanced moving forward, with future engagement building on the work done during the first two rounds, particularly in capacity building, allowing for deeper engagement and greater community empowerment.

Overall, net revenues have and will continue to offer an exciting opportunity to achieve community-driven environmental and socio-economic outcomes. There is scope for future rounds to move towards a greater contribution to national priorities around green recovery, blue economy and a just transition to net zero, through larger-scale cross-border approaches, leverage and innovation. Some of these approaches are explored in [Section 2](#).



Section 2

Scottish Crown Estate Net Revenue
Insights to support Local Authorities

Introduction

The aim of this section is to offer ideas which may help the continued development of Local Authority approaches to the distribution of net revenues. This is designed as a series of insights to support and build on current approaches, and importantly should not be considered as constraints on local decision-making.

Within this section, we first consider the wider [Policy Goals](#) set out by the Scottish Government, to provide a context for current and future decision-making. We then lay out an [Overarching vision](#) Overarching vision to maximise the potential use of future net revenues, use the results from this study to highlight current [constraints](#) to achieving this vision and finally provide some insights and ideas for future decision-making.

Policy goals

The approaches suggested here are rooted in the major policy areas of Scottish Government that were highlighted in the correspondence supporting the distribution of net revenues. These include a *Just Transition to Net Zero*, the *Green Recovery* and the *Blue Economy*. We explore each of these briefly below. What is common to them all is the need for large scale action and activity to be successful.

Just Transition to Net Zero

The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris, 2015, and requires countries to increase action to reduce greenhouse gas emissions while considering “the imperatives of a just transition of the workforce and the creation of decent work and quality jobs.” As a response to the Paris Agreement, the Climate Change Act 2019 committed Scotland to net-zero emissions of all greenhouse gases by 2045. A Just Transition to Net Zero is the intent to ensure that this transition to a climate-neutral economy happens in a fair way, leaving no one behind.

In 2019, Scotland also set up the Just Transition Commission to advise Ministers on how to achieve this vision. A key part of this is applying the Just Transition principles, which can be summarised as:

- plan, invest and implement a transition to environmentally and socially sustainable jobs, sectors and economies, building on Scotland’s economic and workforce strengths and potential
- create opportunities to develop resource efficient and sustainable economic approaches, which help address inequality and poverty
- design and deliver low carbon investment and infrastructure, and make all possible efforts to create decent, fair and high value work, in a way which does not negatively affect the current workforce and overall economy.



Green Recovery

Creating green jobs, developing sustainable skills and nurturing well-being is at the heart of the Transition to Net Zero, but this must be delivered in a way that is just and tackles inequalities. The Covid-19 pandemic has created an opportunity to step back from business-as-usual and accelerate the just transition as part of the economic recovery. In Scotland, this is the basis of the 'Green Recovery,' the post-pandemic plan to rebuild a society and the economy in a greener, fairer and more sustainable way. At the centre of the plan is the commitment to generating good, green jobs for the future, while equally focusing on retraining and aligning skills programs towards immediate green opportunities.

The Green Recovery brings together several policies and priorities that are relevant for Local Authority decision-making. In particular, the Climate Change Plan sets out key policies that aim to respond to the challenges of the climate change emergency and biodiversity loss while maximising economic benefits for Scotland. The Scottish Government, with COSLA, has also adopted the 'Place Principle' which recognises the value of working closely with local communities to not only understand how they are being affected by climate change but also to work together in futureproofing local areas from the impacts of climate change. The Plan also highlights the importance of a holistic approach, seeing collaboration across sectors and scales as part of the Green Recovery.

Climate Change Plan



Blue Economy

The Scottish Government has committed to developing a 'Blue Economy Action Plan,' which will take a joined-up strategic approach across the diverse range of Scotland's established and emerging marine sectors, to maximise the opportunities offered by Scotland's rich marine zone. The Blue Economy Action Plan will encourage collaboration across the public sector, marine industries and marine environmental interests to unlock cross-sectoral synergies that can support growth and jobs, benefit coastal communities and help deliver a just transition to net zero.

Many marine industries share the same common space and benefit from the joint stewardship of the underpinning natural capital. The plan therefore intends to reflect the vital importance to the marine economy of the rich natural capital in Scotland's seas and rivers.

Crucially, the Blue Economy approach also provides the framework for managing the co-existence of different marine interests in a shared space, enabling a transition from a mind-set of 'environment vs economic growth' to a mind-set of 'shared stewardship of natural capital facing common challenges.'

Net revenue contribution to policy goals

The main policy goals of a *Just Transition to Net Zero*, the *Green Recovery* and the *Blue Economy* are fundamental to maintaining our natural world, societal integrity and economic stability, and are therefore major drivers for all activity throughout Scotland and internationally.

Importantly, each of these are interconnected system problems, and will need interconnected system solutions. The radical nature of the changes required - from economic transformation to energy transitions to achieve nearly 50% reduction emission by 2030 - need us to move beyond short-term, small-scale projects to an interconnected vision for the future.

The approaches to using and distributing the net revenue funds can play a role in addressing these strategic issues. Previous uses of net revenue funds have contributed to these policy goals, from investing in replacing hard engineering coastal defences with more nature-based solutions, and a 'proof of concept' that allows others to take on these calculated risks, to supporting and growing sustainable community businesses.

Future rounds provide an opportunity to build on and expand this foundation, networking solutions, supporting innovation, leveraging funds, increasing efficiency and unlocking Collective Impact.

Overarching vision

If we are to address the major challenges our society faces and to unlock the greatest benefit to communities, a roll on from earlier approaches and any form of "business-as-usual" isn't going to make a big enough impact; we need to find scale.

Flexible, ongoing monies such as net revenues can help unlock large-scale action through focused and innovative decision-making, without losing the advantages of a local and regional place-based approach.

We think scale can be found by unlocking *Collective impact*, including the development and use of integrated strategic planning, greater use of blended finance models and by creating space for innovation. This section explores these themes, what may be holding them back and ways to accelerate activity towards achieving even greater scale.

Current constraints

As a society we urgently need to go beyond business-as-usual, and the *Just Transition*, *Green Recovery* and *Blue Economy* policy goals all point us towards the evidence for that. The redistribution of net revenues offers an opportunity to do that with untethered allocations which can be flexibly administered to greatest local effect.

Before considering approaches to unlock scale, it is vital to consider the current approaches to net revenue distributions, what may be constraining scale, and how they might be overcome.

Structural constraints and risk appetite

In [Section 1](#), we described the current management for the first two rounds of net revenue distribution. The way net revenues are managed can nurture or constrain scale and innovation. Each Local Authority took a slightly different approach to management, often based on structures already in place, given the limited timeframes. For many Local Authorities, the approach has drawn on previous experience of administration of other funds, including EU LEADER or FLAG³ funds. Whilst often providing a useful framework to build upon, the structures and rules associated with these may be limiting some aspects of delivery. The flexibility and lack of constraint on the net revenues provides an opportunity to encourage more innovation.

Choices about what and who is eligible for support and how much is available to them could encourage more innovation and open up other avenues to scale of impact or close them down. When making choices about what and who is eligible for support, consider how the structure could open up new avenues of scale that is not available through other revenue streams. Possibilities include:

- Funding 100% of a project rather than requiring matched funding
- Increasing eligibility to include private sector as well as public and third sector organisations
- Funding pilot, proof of concept or new business models, with the possibility of continued funding
- Offering core funding for organisations to encourage innovative approaches to challenges

³ The European Maritime and Fisheries Fund supported community led local development activities through Fisheries Local Action Groups (FLAG)

For example, research by the Esmee Fairburn Foundation shows that where organisations are provided with core funding, they tend to take more risks and innovate to meet the needs of the challenges they are addressing, rather than directing time towards funding requirements. These findings sit alongside other research by Development Trust Association Scotland that notes support to core funding underpins greater organizational capability that allows additional and new revenue streams to be secured. Benefits like this could be secured through a change to funding criteria.

These choices will go hand in hand with the organisational approach to risk. The flexibility of the net revenues allow a greater potential risk appetite for each Local Authority, the benefits of which could be passed on through well-designed funding criteria.

A review of the eligibility and administration criteria is essential when considering ways to support scale and to remove barriers. Risk appetite is essential to be considered in this context with targeted increases in that appetite likely to help create more space for innovation.

Distribution and coordination

Another constraint on achieving scale is spreading projects or activities too thinly. In [Section 1](#), many Local Authorities were shown to distribute funding widely across the region or across different sectors. While a widely distributed approach can indeed achieve scale, additional work can be required to ensure that this is also coordinated for maximum impact.

For scale to be achieved there needs to be a system that coordinates and networks the activities across boundaries to capitalise on synergies and to avoid gaps and conflicts. This is particularly important when support is distributed widely and across numerous administrative boundaries.

For example, using collaborative approaches to inform your adaptive shoreline management plan can bring people together across area or authority boundaries and create solutions to larger scale issues such as beach replenishment, managed retreat from coastal erosion or the ability to exploit tourism opportunities.

Consideration at all levels of how best to align, network or coordinate activities to work across boundaries to unlock the benefit of shared impact is essential.

Vision

Having a clear shared vision is essential to ensure all actions are targeted and have focus. In [Section 1](#) we discussed how the flexibility of the net revenue distribution is a strength, but can also lead to a wide range of goals being adopted.

To achieve scale, the cumulative benefits of multiple decisions all working to the same goal are critical. Importantly, this ambition needs to be shared and very clearly understood. Although we highlighted the overarching policy ambitions of *Just Transition*, *Green Recovery* and *Blue Economy* that have a broad level of agreement, the details of how these can be achieved are open to interpretation by so many different groups that the benefit of alignment is diluted or even lost. Overcoming this can be challenging, and will take time and a clear strategy to develop and build consensus and a clear action plan.

For example, the current tourism strategy – [Scotland Outlook 2030](#) – establishes a clear and seemingly simple vision: **Scotland – we will be a world leader in 21st century tourism.**

Behind this statement however lies a huge exercise that engaged with over 2500 leaders and stakeholders from across the tourism industry to contribute towards its development. The vision does not stand on its own and is carefully described across two pages in the strategy to help everyone understand it and their role. The strategy also established a framework to help focus activities from multiple partners across the sector.

Time taken to develop a deeper consensus around your ambition, to shape that ambition to be place-specific, to use a framework to focus attention and to develop a pipeline of activity that contribute directly to those aims will provide dividends and set the conditions for scale of impact.

Setting the conditions for scale

Achieving scale isn't simply about bigger and therefore fewer projects. Scale of impact can be achieved in numerous ways, and which of these works locally will be determined by the needs of the community. Below, we describe several principles and concepts that may help to unlock a larger scale of impact for your communities. These are suggestions that you may wish to explore further to identify those suitable for your region and approach.

Innovation

Are you encouraging innovation, and what can you do to make failure acceptable, as long as lessons are learned?

Innovation takes numerous forms, and is a necessary ingredient in progression towards a just, net zero and green society. Transfer innovation – taking an idea from one context and applying it to another – has already been addressed, noting the need for the sharing and movement of ideas and experiences.

Innovation by its nature is taking on fresh approach to a problem, and therefore is associated with greater risk. We noted earlier that the rules of a fund or approach may be inherently risk averse, and so limit innovation. Revisiting the rules may create more space for innovation; this could include investing at higher levels or at an earlier stage, as well as considering different types of organisation.

Another key part of innovation is learning from failure. The adoption of approaches that support the use of minimum viable products, rapid prototyping and testing of concepts – an entrepreneurial approach - can help to accelerate this process, using failure to rapidly improve a concept toward the desired solution.

Leveraging

How can you use net revenues to secure additional resources?

Leveraging is already seen across the public and third sector; it is simply using one source of funding to get commitment from another source. One of the most regularly used versions of this is “match-funding,” with security of the first investor getting the commitment of the same level of funds from another. There are numerous benefits to this approach, including the overall de-risking of the investment and allowing funding to go further.

A regular barrier to this approach is that there are more second source funders (i.e. those who offer to match funds that have already been secured) than there are those who are prepared to commit first and be the fund that is levered. This can leave projects in limbo, close to success but not able to progress.

Net revenues are a flexible source of funding and could be used to lever additional support, and depending on the levels of levered money, could potentially double the monetary impact of the revenues. Dependent on the risk appetite of the Local Authority, these monies could be

the first investor and could be used prior to finding the additional source of funds to allow progress to start. This is linked to innovation and accepting the possibility of failure and lessons learned- accelerating new ideas that are potentially high impact, but therefore also higher risk.

Bridging

Can you use the flexibility of net revenues to bridge gaps in funding or from one phase to another?

Bridging can take several forms: common to all is the idea of using a source of funding to get from one point to another.

One such approach has been used by the [Esmee Fairbairn Foundation](#), to support the Rivers Trust through the use of a bridging loan to secure an opportunity that had high upfront capital costs and a payment model that was in arrears. The provision of this support allowed progress ahead of a new funding stream, unlocking considerable benefit to communities and the environment.

Another form of bridging is to fund an intermediary project or study that unlocks an often larger follow-on investment. The need for this sort of support can often be found in infrastructure projects or new business models where a concept gains traction, but lacks the depth of information to support a full funding application or to secure investors. The intermediary step to develop proof of concept or a feasibility study is needed to bridge this gap, but is regularly difficult to secure funding for as it can be viewed as being too risky (i.e. what if the study indicates it isn't feasible?). Net revenues could be the income stream that makes the bridge and unlocks the potential of these projects.

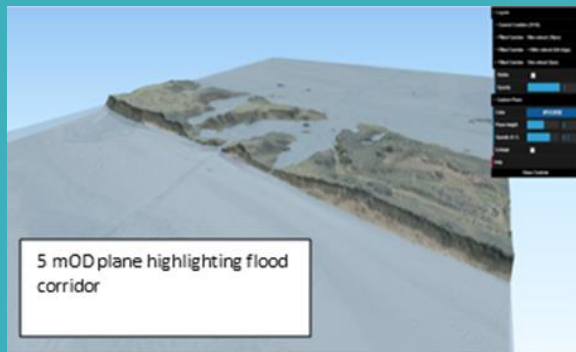
Case Study: Coastal change adaptation in Montrose Bay

The challenge

We are now locked into sea level rise beyond 2100 regardless of future emission scenarios. Quickening sea level rise, alongside other factors like the increasing prevalence of major weather events and storm surges, mean erosion and storm damage will increase and affect most erodible areas of Scotland's coast over the coming decades.

The coastal sand dune ridges in Montrose Bay provide a natural erosion and flood protection role to the interior land behind the dunes. However, the Dynamic Coast 2 project shows that the dunes are now eroding by 2.5 m/yr; much faster than they have in the past, reducing protection at the very time the threat is increasing.

Whilst much of the southern part of the Montrose dunes are high, several lower corridors through it provide routes inland for marine flood water. As sea levels continue to rise and major weather events increase in frequency, the likelihood of flooding increases in the future; today's 200-year event becomes a 75-year event by 2050 and a 10-year event by 2080. Unchecked, present coastal erosion is expected to create additional flood corridors within 6 years.



Dunes at Montrose generally provide a barrier to flood water, however this virtual model of the dunes (looking from the sea, towards the town) shows the potential flood routes for a 5m marine flood.



One of the recent storm events (March 2018) where flood waters approached the flood corridors. Flood waters breached the dunes in January 2020.

The solution

Angus Council has been working closely with the Dynamic Coast Team to identify long term resilience options for Montrose beach. Recognising the need to take urgent action to protect Montrose from erosion and sea level rise, Angus Council has adopted a three-stage

approach to manage these increasing threats whilst safeguarding coastal land use, and had already undertaken preliminary coastal protection works and studies to fill in gaps in the dune system.

The preliminary works also provide a physical and procedural baseline that is being used by the Council to develop a formal coastal flood protection scheme for Montrose. If the preferred option is included in the Local Flood Risk Management Plan, the Council will be able to apply to Scottish Government for capital funding. The new Scottish Government Coastal Change Adaptation Fund may be an alternative option.

This flexible, or Dynamic Adaptive Pathways approach, is recognised internationally as the best way to acknowledge uncertainty and is one of the ways coastal communities, like Montrose, can become 'sea level wise', and more resilient in the face of climate change.

The role of net revenues

Angus Council used its first two allocations of net revenues together with its own capital funds, to undertake preliminary coastal protection works to fill in gaps in the dune system. This has provided immediate benefit to the community and also put in place the planning and evidence necessary to secure much larger capital support for the next phases of the approach.

Blended finance and investing

Blended finance is an innovative approach that can underpin the principles of leveraging, innovation and bridging. Understanding and applying this framework is one method of achieving scale through net revenue distribution.

There has been considerable innovation in green and sustainable finance in recent years, as organisations try to develop approaches that both generate a return and address the climate and nature emergencies and the UN Sustainable Development Goals. This challenge was articulated in the [£1 Billion Challenge Route Map \(Figure 2\)](#) which noted the existence of a “chasm of incomprehension and scale” between nature and conservation investment opportunities – many of which may be of significant value to coastal communities – and the usual institutional investors.



Figure 2. Illustration representing the “chasm of incomprehension and scale”, taken from the [£1 Billion Challenge Route Map](#).

This is a rapidly changing and relatively immature area of finance with numerous parties exploring ideas. There are several activities taking place in Scotland exploring this potential, with many gathering and sharing ideas through the Scottish Conservation Finance Pioneers, hosted by the Scottish Wildlife Trust. This work is of considerable interest to the use of net revenues and may offer a new pipeline of projects to invest in, or models that can help to get greater scale of impact and return. Ultimately, the use of net revenues could help traverse this chasm of incomprehension and scale, and help unlock the considerable and benefits of these currently difficult-to-fund projects for coastal communities.

One possible method is blended finance, an innovative approach to financing sustainable development that aims to attract commercial capital towards projects that benefit society, while also providing financial returns to investors. Blended finance offers several benefits, but primarily mobilises additional and external sources of finance for development and de-risks the overall investment. Other benefits are highlighted in [Figure 3](#).

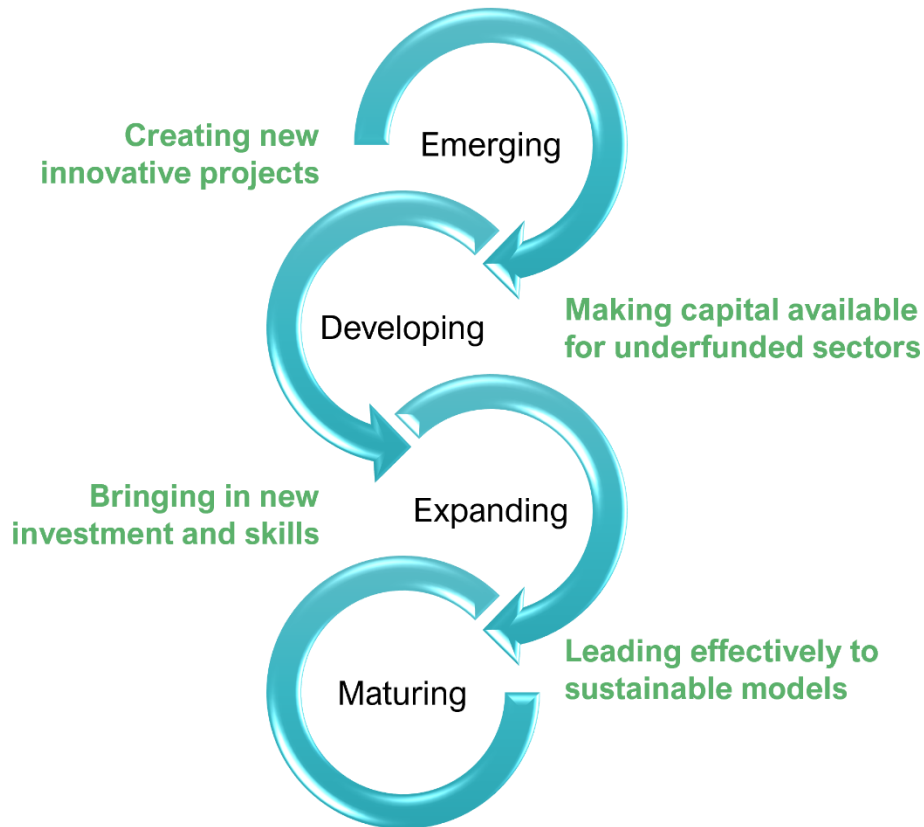


Figure 3. Benefits of blended finance for different stages of project development: adapted from OECD (2015) “Blended Finance Vol 1: A primer for development finance and philanthropic funders”.

Blended finance has three key characteristics:

- Leverage - use of development finance and philanthropic funds to attract private capital into projects
- Impact - investment that drive social, environmental, and economic progress
- Returns - financial returns for private investors in line with market expectations, based on real and perceived risk

In particular, it may be useful to think of returns in terms of the financial sustainability of a project; a project that can develop a return whilst delivering impact will endure and not need a continuous flow of new funds.

There are also a number of fundamental principles to achieving a blended finance approach that can be adapted to a community project landscape ([Table 2](#)). The principles of blended finance developed by the OECD also reflect the foundations of [Collective Impact](#), and indeed the principles of net revenues. This model therefore resonates with the intended purpose of net revenues and brings into view the idea of using net revenues as an investment rather than a grant, or indeed a mix of both.

Table 2. The 5 principles of effective blended finance approaches for community projects, adapted from OECD (2018) “OECD DAC Blended Finance Principles”

Principle 1: Rationale	Blended finance is more effective when it has a strong underlying rationale for investment.
Principle 2: Leverage	Blended finance can be used to leverage private finance, through proof of concept, risk reduction or value addition
Principle 3: Place-based	Blended finance should be adapted to local approaches, and tailored to fit the needs and gaps of the communities involved
Principle 4: Collaboration	Blended finance works effectively with partnering and collaboration across scales
Principle 5: Measurement	Blended finance approaches should have transparency and accountability built in, including appropriate monitoring and achievable measurements

[OECD DAC Blended finance Guidance](#)



[WEF Blended finance: A Primer](#)



Collective Impact

Finally, the framework of Collective Impact might provide a structure to future management of net revenues for maximum impact.

Collective Impact is an approach first characterised in the [Stanford Social Innovation Review](#), and offers a useful framework that you may consider in the next stages of development of your Local Authority approach. Collective Impact is a structured collaborative effort to unlock the combined capability of multiple actors across all sectors to secure large-scale change and impact.

This framework can be used at numerous different levels, with the questions and elements being as appropriate to Scottish Government as they are for Local Authorities and indeed for communities themselves. Collective Impact is based on five interdependent foundation stones (**Error! Reference source not found.**), which we explore in more detail below.

[Extended article exploring Collective Impact](#)



Table 3. Foundations of Collective Impact

Common agenda	All participants have a shared vision for change including a common understanding of the problem and a joint approach to solving it through agreed upon actions
Shared measurement	Collecting data and measuring results consistently across all participants ensures efforts remain aligned and participants hold each other accountable
Mutually reinforcing activities	Participant activities must be differentiated while still being coordinated through a mutually reinforcing plan of action
Continuous communication	Consistent and open communication is needed across the many players to build trust, assure mutual objectives and create common motivation
Backbone support	Creating and managing collective impact requires a separate organization(s) with staff and a specific set of skills to serve as the backbone for the entire initiative and coordinate participation organisations and agencies.

Common agenda

What measures can you use to ensure all activities are contributing towards a common agenda, and that all stakeholders understand how their activity is supporting the bigger outcome?

The Collective Impact framework considers alignment to be one of the foundation stones of unlocking scale of activity. In practical terms, there are many actions you may consider to ensure all the activities you support are aligned.

Table 4. Examples of potentially relevant strategies in Scotland

National	<u>National Marine Plan</u>	This plan covers the management of both Scottish inshore waters (out to 12 nautical miles) and offshore waters (12 to 200 nautical miles).
	<u>National Planning Framework</u>	The third National Planning Framework, setting out a long-term vision for development and investment across Scotland over the next 20 to 30 years.
	<u>Crown Estate Scotland Corporate Plan</u>	Plan to manage Crown Estate Scotland assets, investing in property, natural resources and people to generate lasting value for Scotland.
Regional	<u>Local Development Plans</u>	Development plans set out the long term vision for where development should and shouldn't happen in the places they cover.
	<u>Core Paths Plan</u>	A Core Paths Plan must be drawn up by each access authority, to establish a system or network of paths 'giving the public reasonable access throughout their area'

Sectoral	<u>Scotland Outlook Tourism Plan</u>	Relating to other specific sub-sectoral plans, e.g. Marine Tourism – <u>Giant Strides</u> Food Tourism – <u>Food Tourism Scotland</u>
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We have already noted the high-level policy aims of the Scottish Government and the strategic plans for each local authority which offer an immediate point of alignment and focus. They are, however, not the only policy, strategy or focal point that may be of direct relevance to your communities, and they could lack the necessary detail to feel place-specific, or to unlock the benefits of tightly focused and coordinated activity.

There are a considerable number of other strategies and plans that can support the articulation of that focus. Mapping your activity to the targets or objectives in these will help to ensure your approach is contributing to a larger scale impact. Some examples at national, regional and sectoral level are described in [Table 4](#).

There is also the opportunity to draw many of these activities and strategies together and develop an integrated approach for your area. This change would move you from passive alignment to a third-party strategy, towards actively setting the conditions to unlock scale of impact in your area.

This is particularly relevant for coastal communities, which have both terrestrial and marine interests, and can lie at the interface between many strategic objectives. This offers extra complexity and challenge, but with that comes greater potential through the unlocking of marine and terrestrial assets. For example, Integrated Coastal Zone Management is coastal management planning over the long term, which considers the interaction of both marine and terrestrial activity together, involving all stakeholders, working with natural processes and using 'adaptive management', i.e. changing plans as threats change.

Nurturing Collective Impact: Regional Marine Planning

Regional marine planning allows for national planning policy to be adapted to reflect local circumstances. The legislation enables the delegation of planning powers from Ministers to regional *Marine Planning Partnerships* which comprise of, and will be influenced by, local interests and their representatives.

The diverse nature of marine regions and coastal communities can often be most effectively supported and enhanced by planning at a regional level. This is particularly important as our marine areas experience increasing, and often conflicting, demands combined with pressures from climate change.

Decisions made by public bodies will need to reflect these plans and their policies regarding licences, consents, permissions and in managing other activities.

Plans can cover topics that will add benefit to:

- The physical, environmental, social, cultural and economic characteristics of the marine region and the living resources it supports,
- The purpose of which any part of the marine region is used,
- The communications, energy and transport systems of the marine region,
- And other considerations which may be expected to affect those matters.

Regional marine planning offers the opportunity for Local Authorities to:

- Provide a framework for sustainable development and conservation in the marine environment.
- Contribute to increased predictability and strengthen coexistence between relevant industries that use the marine resources of the region.
- Identify wider data and marine management challenges and work with stakeholders and relevant authorities to develop management or technical solutions.
- Identify conflicts and develop strategies to resolve them by posing local solutions.
- Potentially create savings in marine management and support sectors and ecosystems whose economic benefits are many orders of magnitude higher than the costs of the plan development and implementation.

Shared measurement

How can you collect data and measure results consistently across all partners to ensure they remain aligned and to help them hold each other accountable?

The setting of targets is essential to any project and the attainment of a bigger ambition, but being able to measure whether or not those targets are being met is the cornerstone of success.

For the majority of Local Authorities, the larger ambitions of net revenue distribution are measured separately through the tracking and monitoring framework for the Local Authority plan. This may feel distant and may not afford the sharp focus on an outcome that helps to drive activities forward.

Tracking and measurement is challenging, especially when obvious metrics do not exist, but even an imperfect measurement adds value. With the Just Transition to Net Zero and climate change in mind, the use of a carbon metric (i.e., reduction in CO₂ emitted or new carbon sequestered) would offer a suitable focus, and allow every project to be considered in terms of net carbon.

Mutually reinforcing activities

What measurements can you take to link and connect activities?

Due to the centralised management structure, the majority of activities supported by net revenues can operate in relative isolation, with coordination between organisations reliant upon the administration organization. Moving forward, there is an opportunity to connect and align activities supported by net revenues to build on each other's success, and to systematically unlock a larger scale of impact. This networking of activity allows an entire region to raise the level of service or capability, beyond fragmented development.

Continuous Communication

How might you effectively share information, ideas and updates across the group of partners?

Innovation transfer is a powerful but often overlooked tool, to avoid groups working in isolation and duplicating effort. At all levels there is opportunity to enhance this form of innovation and

to get a step closer to Collective Impact, by adopting more systematic approaches to the sharing of information and ideas.

This could take numerous forms, and is as relevant for comparing notes between Local Authorities as it is to the group of supported projects within a Local Authority area. Innovation and knowledge exchanges approaches are being updated and tested across sectors, and there are resources available to help organisations develop relevant, pro-active strategies to ensure effective transfer.

Backbone support

Can you resource an organisation to facilitate the coordination, networking and impact of all these partners?

The Collective Impact model relies on an organisation or group of organisations that facilitate the efficient, connected and aligned working of the larger group. Referred to as a backbone, this function is not one of outright leadership – that space is filled by the development of a shared ambition and set of goals – but is there to help to create and maintain momentum.

In the case of net revenues, this function could be fulfilled by the Local Authority through existing resources, or even be commissioned as one of the activities supported by net revenues. Alternatively, community groups could be supported through net revenue income to develop the capability and capacity to fulfill this role.

The work led by this organisation will not only support transfer innovation, more deeply align and connect activity and improve the gathering and use of data, but also help to foster a long term pipeline of potential projects which in term ensures there is a race to the top in terms of quality of funded activity.

Conclusion

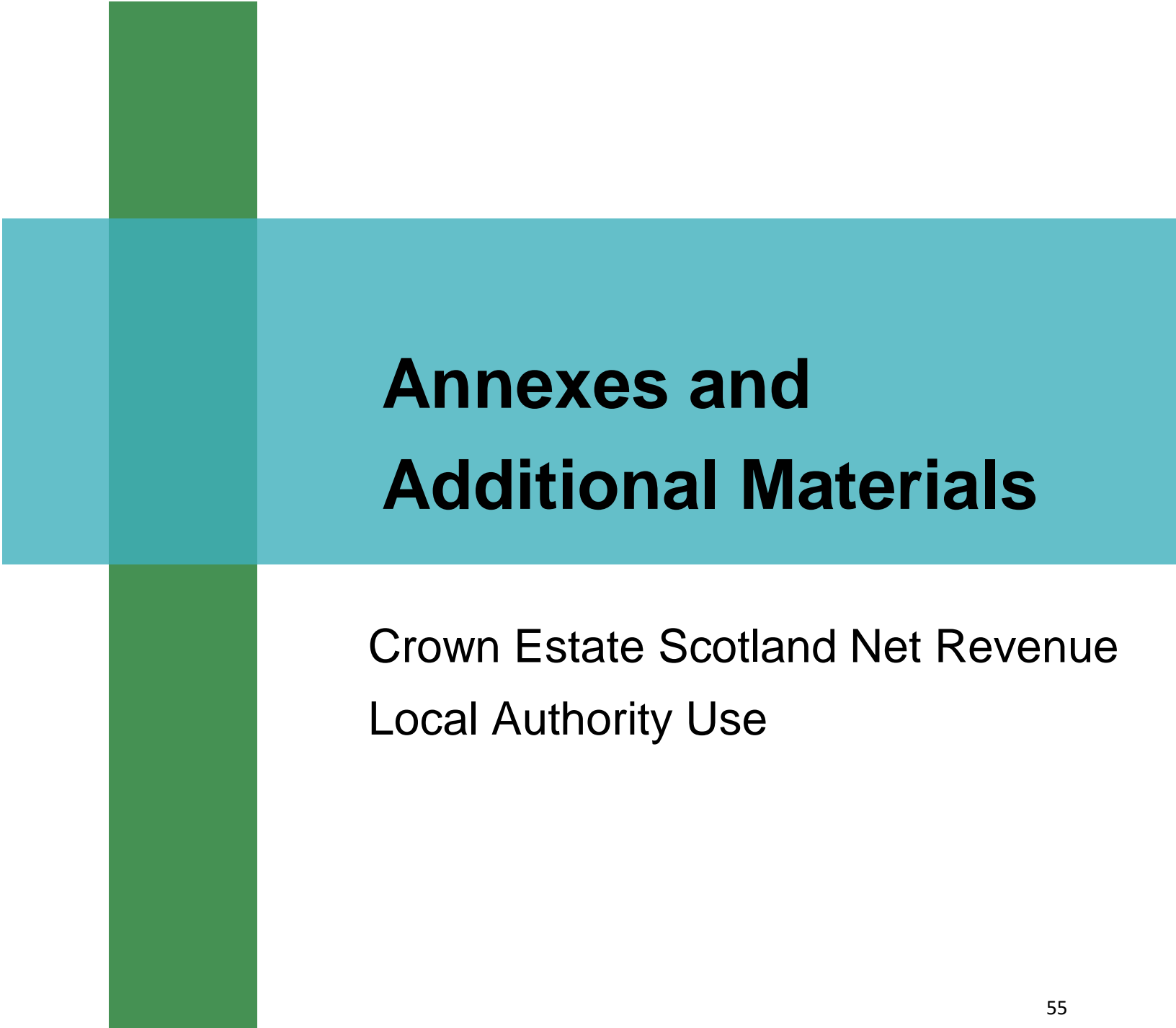
The problems we face or large-scale, interconnected and challenging to solve.

Net revenues are a small piece of the ongoing puzzle we are trying to collectively put together to lead to a just, sustainable and net zero future. Yet the unique characteristics of these monies, in terms of flexibility, ongoing nature and scale of income for some Local Authorities, provides a key opportunity to unlock disproportionately greater impact and value for coastal communities.

This report is a snapshot of the beginning of the journey, and has highlighted some of the successes and challenges from the first two rounds of distribution. In this final section, we have put forward some overarching ideas and frameworks that might support Local Authority

decision-making moving forward, from the financial principles of leveraging and bridging, to the innovative approach of Collective Impact.

Ultimately, each area will be wrestling with locally-specific yet similar questions in the future, and we hope that this information can provide a starting point for knowledge sharing and growth.



Annexes and Additional Materials

Crown Estate Scotland Net Revenue
Local Authority Use

Additional material – Enclosures

Enclosure 1:

[Marine Scotland's Scottish Crown Estate Net Revenue Allocations 2017-2018 – Report of Local Authority Expenditure \(December 2020\)](#)

Enclosure 2:

Marine Scotland survey to Local Authorities to monitor and report their expenditure:

MONITORING AND REPORTING OF EXPENDITURE		
Local Authority		
Reporting Period		to
Reporting Officer		
Position		
Date Completed		
Scottish Consolidated Funding Received for 2018/19 and 2019/20		
2020/21 Activities		
Was the funding received for 2018/19 and 2019/20 fully allocated during 2020/21?		
What was funding used for?		
Benefits to Blue Economy (please mark as appropriate)	Environmental Enhancement <input type="checkbox"/> Emissions Reduction Or Removal Of Waste <input type="checkbox"/> Jobs <input type="checkbox"/> Tourism <input type="checkbox"/> Skills Development <input type="checkbox"/>	

<p>Has any of the previous funding been carried forward to 2021/22? (please mark as appropriate adding in amount)</p>	<p>No <input type="checkbox"/></p> <p>Yes 2018/19 <input type="checkbox"/></p> <p>Yes 2019/20 <input type="checkbox"/></p>	
<p>What will the carried forward funding be allocated to?</p>		

Completed forms should be returned to Nim Kumar, Crown Estate Strategy Unit - Nim.Kumar@gov.scot

Annexes

Annex 1: [Background information on Crown Estate Scotland coastal community funding](#)

Annex 2: [Guidance provided to Local Authorities on round one and two net revenue use](#)

Annex 3: [Overall fund distribution and approach summary](#)

Annex 4: [Summary of Local Authority approaches \(mid tier; £40k-200k per annum\)](#)

Annex 5: [Summary of Local Authority approaches \(high tier; £200k+ per annum\)](#)

Annex 1: Background information on Crown Estate Scotland coastal community funding

Marine Stewardship Fund

Established in 1999, the marine stewardship programme supported community initiatives and scientific research projects which helped promote the long-term sustainable management of The Crown Estate marine portfolio. Since the programme began, The Crown Estate invested some £10 million in supporting around 500 projects across the UK.

The programme was split between two different areas:

Marine stewardship fund

Community initiatives aimed at improving and enhancing The Crown Estate's marine and coastal assets.

Marine research programme

Scientific research that underpinned The Crown Estate's knowledge of the activities it was involved in.

Coastal Communities Fund

The Coastal Communities fund was a UK-Wide Scheme established in 2012, administered and delivered by the Big Lottery Fund, with aim to benefit the economic development of communities in coastal areas. The main focus was to provide funding to create sustainable economic growth and jobs. Though UK-wide, varying levels of funding were available to England, Wales, Scotland and Northern Island on the basis of the revenues generated through Crown Estate Marine Assets.

In Scotland, two funds existed: A 'Highlands and Islands Fund' and a 'Rest of Scotland Fund'. The Coastal Community Fund made awards to 89 projects throughout Scotland across the four rounds of funding since 2012.

All projects were required to contribute to key outcomes and had to meet a defined set of criteria. All communities were required to meet the first outcome, and at least one of the three other outcomes.

First Outcome

Coastal communities are better able to use their assets (physical, natural, social, economic, and cultural) to promote sustainable economic growth and jobs.

Second Outcome

Coastal Communities have greater capacity to create a sustainable economic future and are better equipped to adapt to change.

Third Outcome

Partnerships are developed to support economic innovation, enterprise and investment either within a community and/or across a number of coastal communities.

Fourth Outcome

People have more opportunities for training and skills development, including volunteering.

Comparison of funding for coastal communities

	Marine Stewardship Fund	Coastal Community Fund	Scottish Crown Estate Net Revenue Allocations
Approach	Funding and Support from Crown Estate.	A Competitive, UK-wide Fund. In Scotland, 2 funds existed (Highlands & Islands and Rest of Scotland).	Original funding method saw funds allocated to 26 eligible local authorities based on the length of coastline with a de minimis amount of £1000. The new method will be 50% on the length of coastline and 50% of the amount of revenue generated from marine assets out to 12 nautical miles in each local authority.
Established	1999	2012	2019
Funding	Funding from Crown Estate.	Funding derived from 50% of the net revenues generated from Crown Estate Marine Asset activities.	Funding derived from 100% of the net revenues generated from Scottish Crown Estate Marine Assets.

Coastal Community Definition	Projects had to be directly connected with The Crown Estate foreshore and/or seabed.	Any coastal settlement within a local authority whose boundaries include UK foreshore, including local authorities whose boundaries only include estuarine foreshore.	As decided by each Local Authority.
Delivery	Funds are invested directly into community groups.	Delivered through the Big Lottery Fund.	Funds are distributed to Local Authorities to benefit coastal communities.
Match Funding		Accepted/ Encouraged.	As decided by each Local Authority.
Projects Accepted	Projects had to be directly connected with The Crown Estate foreshore and/or seabed and had to add value in furthering good management in line with the Crown Estate Act 1961.	Capital and Revenue.	As decided by each Local Authority.
Eligible Bodies		Eligible bodies included charities, voluntary and community sector organisations, social enterprises, including cooperatives and community ownership initiatives, local authorities, development agencies in the devolved administrations, local enterprise partnerships in England and private sector companies.	As decided by each Local Authority.

Budget		Bids of amounts in excess of £50k.	As decided by each Local Authority.
Criteria/ Objectives	<p>5 Priorities:</p> <ul style="list-style-type: none"> • Access • Environment • Management • Biodiversity • Awareness 	<ul style="list-style-type: none"> • encourage sustainable economic growth • demonstrate that the proposal fits with the broad economic priorities of the local area, where possible linking to a wider economic vision which has private sector commitment and support from the community • demonstrate that the proposal unlocks a barrier, addresses a need or opportunity within the area • demonstrate, where appropriate, how they will contribute to green economic growth • provide clear evidence of how they plan to work with other key partners (in the public, private, voluntary, social enterprise or community sectors) to deliver project outcomes 	<p>Environment:</p> <ul style="list-style-type: none"> • Environmental enhancement • Emissions reduction or removal of waste <p>Local Economy:</p> <ul style="list-style-type: none"> • Jobs • Tourism • Skills development • Diversification projects <p>Place:</p> <ul style="list-style-type: none"> • Investment for community purpose • Climate change adaptation

Annex 2: Guidance provided to Local Authorities on rounds one and two net revenue use

Date	Source	Key sentences	This means...
2012	Coastal Communities Fund	With the aim of encouraging the economic development of UK coastal communities by awarding funding to create sustainable economic growth and jobs.	Sustainable economic growth/development
July 2013	Lerwick Declaration, July 2013	<i>We believe that the people who live and work in Scotland are best placed to make decisions about our future - the essence of self-determination; therefore we support subsidiarity and local decision making</i>	Local decision-making
June 2014	“Empowering Scotland’s Island Communities”, June 2014 (extended to coastal councils in 2016)	Three underpinning objectives: promoting island voices, harnessing island resources and enhancing island wellbeing.	Use of resources
	<i>(Net revenue section)</i>	Net income from activities within 12 nautical miles will be passed to individual councils and each will be responsible for administering their own fund, determining how funds are spent, who will benefit and the level of benefit.	Council responsibility
	<i>(Net revenue section)</i>	Each council can administer their own fund for pump priming projects that can deliver social and economic benefits and empower local communities	New initiatives Social and economic benefits
	<i>(Net revenue section)</i>	Scottish Ministers and the Councils will ensure transparency on revenues generated and how they are spent.	Transparency
	<i>(Community benefit section)</i>	Councils can have a central role in ensuring that community benefit is shared equitably and strategically to communities in their island groups.	Equitable distribution
	<i>(Community benefit section)</i>	Council would have a strategic role in aligning the distribution of benefit with national and local priorities, securing agreement as required within Community Planning Partnerships to assure the direction of benefit towards communities.	Alignment with national and local priorities

Sept 2020	Update letter for fund rollover and monitoring, Sept 2020	Funds from their allocation this year could be used to support businesses, including Third Sector organisations, in need as a result of the Covid-19 pandemic while continuing to align with the general purpose of the funds being to deliver benefit to coastal communities.	Exceptions during Covid-19 years
		The allocations already provided to local authorities to date can be carried over into 2021/22, with requisite monitoring and accountability to demonstrate delivery of benefit to coastal communities.	Used within one year, with noted exceptions
		Reporting in a proportionate way on spend from Crown Estate Scotland net revenues.	Proportionate reporting
Sept 2019	Letter to Directors of finance	To enable coastal local authorities to fund coastal community benefit.	Coastal community benefit
		During the first year of the new arrangements there is a need to ensure that from this amount funds are made available for the continuing requirements of coastal community projects under the current Coastal Communities Fund round.	Follow-on from CCF
		Scottish Ministers' expectation is that local authorities will use the funding for additional expenditure in 2019-20 that specifically benefits coastal communities, with individual local authorities making decisions on funding of projects to benefit coastal communities and being transparent and accountable to their communities and others for the expenditure.	Use within one year Benefit to coastal communities Transparency and accountability
		There is an expectation that there will be transparency and accountability on how the money is spent.	Transparency and accountability

		That the CCF in Scotland is replaced with the new arrangements for funding coastal community benefit from Scottish Crown Estate net revenue.	Follow-on from CCF
January 2020	Letter to directors finance clarification in response to LA queries	The funding allocation is provided as revenue but could be used, where needed, for capital expenditure if individual local authorities have such arrangements in place.	Possibility for capital expenditure
		It is our preference, as outlined in the letter, that the allocations to local authorities should be used for coastal community benefit this financial year so that benefits can be delivered as soon as possible.	Use within one year
		It has been our expectation that the funding would be prioritised towards new initiatives (including potential new initiatives being led by organisations that already receive funding from the council) in order to add value.	Prioritised towards new initiatives
		It will ultimately be for each local authority to decide how they utilise the money as long as the funding is appropriately invested to bring benefit to coastal communities.	Local authority responsibility Benefit to coastal communities
		We can see potential value in councils considering funding for existing initiatives if it is not possible to identify suitable new initiatives for some or all of the allocated funding in any one year.	Prioritised towards new initiatives
		We would also encourage councils to consider what consultative processes may be needed before finalising their approach to delivering coastal community benefit.	Consultative approach
April 2020	Letter to Directors of Finance in response to LA enquiries	It is important that any financial support provided to businesses and Third Sector organisations from this funding appropriately complements any other financial support which such operations may receive from the UK and Scottish Governments, ensuring avoidance of inappropriate duplication of funding (e.g. COVID-19).	Complementation of funding during COVID-19

April 2020	Update to fund remit (Covid emergency) April 2020	The fund from Scottish Crown Estate net revenues, is normally used for projects delivering coastal community benefit.	Coastal community benefit
Sept 2020	Update letter for fund rollover and monitoring, Sept 2020	Funds from their allocation this year could be used to support businesses, including Third Sector organisations, in need as a result of the COVID-19 pandemic while continuing to align with the general purpose of the funds being to deliver benefit to coastal communities.	Coastal community benefit Covid-19 exceptions
		The allocations already provided to local authorities to date can be carried over into 2021/22, with requisite monitoring and accountability to demonstrate delivery of benefit to coastal communities.	Coastal community benefit Demonstration of benefit Use within one year (with exceptions)
		Reporting in a proportionate way on spend from Crown Estate Scotland net revenues.	Proportionate reporting

Annex 3: Overall fund distribution and approach summary

Local Authority	Approach	% Share	Share of 2017-2018	Share of 2018-2019
Eilean Siar	70% Community 30% Central	23.66%	£1,702,411.87	£2,295,031.34
Highland	85% Community 15% Central	17.96%	£1,292,405.46	£1,742,299.32
Argyll and Bute	100 % Central	15.51%	£1,115,864.35	£1,504,303.21
Shetland Islands	100% Community	14.02%	£1,008,679.18	£1,359,806.27
Orkney Islands	100% Central	10.75%	£773,673.43	£1,042,993.65
Aberdeenshire	100% Community	4.56%	£328,314.06	£442,602.09
Dumfries and Galloway	100% Community	4.29%	£309,041.03	£416,620.01
Fife	100% Central	1.90%	£136,659.86	£184,231.95
Moray	100% Central	1.42%	£102,508.59	£138,192.43
South Ayrshire	100% Community	1.30%	£93,299.80	£125,778.00
North Ayrshire		1.23%	£88,162.57	£118,852.48
Angus	100% Central	1.12%	£80,950.46	£109,129.78
East Lothian		0.80%	£57,915.72	£78,076.52
Scottish Borders		0.80%	£57,312.45	£77,263.25
Aberdeen City	100% Central	0.42%	£30,400.00	£40,982.41
Edinburgh, City of		0.08%	£5,408.52	£7,291.25
Inverclyde		0.05%	£3,476.20	£4,686.29
Perth and Kinross		0.02%	£1,565.81	£2,110.87
Falkirk		0.02%	£1,442.66	£1,944.86
Dundee City	No reporting required	0.01%	£1,000.00	£1,290.84
Clackmannanshire	No reporting required	0.01%	£1,000.00	£1,000.00
Glasgow City	No reporting required	0.01%	£1,000.00	£1,000.00
Renfrewshire	No reporting required	0.01%	£1,000.00	£1,000.00
Stirling	No reporting required	0.01%	£1,000.00	£1,000.00
West Dunbartonshire	No reporting required	0.01%	£1,000.00	£1,000.00
West Lothian	No reporting required	0.01%	£1,000.00	£1,000.00
Total		100.00 %	£7,196,492.02	£9,699,486.83

Annex 4: Summary of mid-tier approaches (£40k - £200k)

This annex describes the priorities, community engagement approaches and project examples from the mid-tier of Local Authorities. This information was gathered by desk-based research: where no information is included, it was not made publicly available. The Local Authorities are presented in descending order of net revenue allocation size.

Fife	
Year 1: 136k	Year 2: £184k
<p>Priorities</p> <ul style="list-style-type: none"> • support and mitigate tourism • climate change • align with 2 regional deals <p>Environmental Priorities 2021</p> <ul style="list-style-type: none"> • climate friendly • climate ready • climate just 	<p>Community Engagement</p> <p>Set up a working group made up of Finance, a Climate Change Manager and a Community manager. Community managers work closely with the local outcome improvement plan, local community plan, Community Asset Transfers and as such have oversight of communities, who they are, what groups are active and the developing eligible projects for these types of activities.</p>
<p>Examples of Projects</p> <ul style="list-style-type: none"> • Tayport Harbour Trust (£30,500) • Love Oor Lang toun (£30,000) • Fife Coast and Countryside Trust (£102,500) 	

Moray	
Year 1: £120k	Year 2: £138k
<p>Priorities</p>	<p>Community Engagement</p> <p>Moray Council follow the Participatory Budget approach. Community awareness is raised through the same roadshow approach. Both have received a good response with a good mix of representatives coming forward.</p>
<p>Examples of Projects</p> <ul style="list-style-type: none"> • Year 1 Buckie Ice Plant • Year 2 Staycation Project e.g. Surface access roads in Findhorn, Creation of Bow Fiddle Car Park, Balindalloch Toilet Upgrade, Electric car charger at Craigellachie 	

South Ayrshire	
Year 1: 93k	Year 2: £125k
<p>Priorities</p> <p>The Council is keen to fund projects that:</p> <ul style="list-style-type: none"> • involve local people • make the most of the skills and experience of people and assets within a coastal community • have the support of their communities • support improvement in productivity in the coastal economy • provide support for small and medium sized enterprises • address seasonality by creating new patterns of demand for tourism • deliver improvements to public places that will increase the number of visitors • support the delivery of jobs and economic growth 	<p>Community Engagement</p> <p>A Coastal Community Fund (CCF) has been created for communities to submit applications for awards up to £25,000.</p>

North Ayrshire	
Year 1: 88k	Year 2: 118k
Priorities	Community Engagement

Angus	
Year 1: 80k	Year 2: £109k
Priorities <ul style="list-style-type: none"> • climate and coastal erosion • green recovery and biodiversity 	Community Engagement Angus Council may look to an Open Call approach for the next round of funding. There is a number of known community projects that require funding so they would foresee a quick uptake.
Examples of Projects Coastal Resilience Project: Coastal Erosion at Montrose – see earlier case study.	

East Lothian	
Year 1: £57K	Year 2: £78k
Priorities	Community Engagement

Scottish Borders	
Year 1: 57k	Year 2: 77k
Priorities	Community Engagement

Aberdeen City	
Year 1: £30k	Year 2: £40k
Priorities Low Carbon Green Economy Green Recovery	Community Engagement Funding awarded on a grant bid basis.
Examples of Projects <ul style="list-style-type: none"> • Heritage Trail and signage • Greyhope Bay • wildlife garden • beach Clean-up, path Improvements 	

Annex 5: Summaries of high-tier approaches (£200k+ per annum)

This annex describes the priorities, community engagement approaches and project examples from the high tier of Local Authorities by net revenue allocation, £200k+ per annum. This information was collected through desk research and supplemented by interview with the relevant Local Authorities. The Local Authorities are presented in descending order of net revenue allocation size.

Comhairle nan Eilean Siar

Net Revenues	Summary of approach
Round 1: 1.7m	The funding allocation received by Comhairle Nan Eilean Siar will be allocated across strategic and community projects. The proposed funding for Year 1 and 2 is as follows:
Round 2: 2.29m	<p>Year 1</p> <ul style="list-style-type: none">○ £100k to regional marine planning,○ £360k to set up Community partnership boards across 12 forums (30k each)○ £22.5k Athlete travel to facilitate mainland competition and training○ £1,220k to 9 Wards for mix of infrastructure (£97.5k each) and community project (£38k each) <p>Year 2</p> <ul style="list-style-type: none">○ £1,485k to community forums across 9 Wards to benefit coastal communities○ £810k to Community Economic Fund (to grow Outer Hebrides Economy) <p>The Community Economic Fund will target three areas of activity:</p> <ul style="list-style-type: none">● Islands Deal Support (400k)● Community Economic Recovery Projects (100k)● Business Bridging Fund (310k) Ultimately this wasn't required, as businesses were in the main able to access other business support grants etc. through Government Covid Schemes. This was used to supplement the £100k for recovery projects. Projects supported include supported community infrastructure, food and drink projects, a community harbour project and Gaelic / heritage projects.
	Coastal Community Definition All communities are considered a Coastal Community.

Approach to Community Engagement

Comhairle Nan Eilean Siar hosted Engagement Events to work with communities to identify those issues important to local communities.

Community organisations could apply for funding within their ward if they could demonstrate through application that their project related to one or more of the following factors:

Employment, housing, transport, estate, growing old, access to education, broadband/mobile reliability, available childcare, recreational and social opportunities, accessible outdoor environment, career progression, lower cost of living, vibrant communities.

Applications for Year 2 close in November 2021.

Priorities

Notable projects and themes

Supporting the development of a Community Partnership Board or other Community governance model in each of 12 identified areas - £360,000

Delivery of Regional Marine Planning and Crown Estate Asset Management - £100,000

Environmental Priorities

As part of the Community Economic Fund, funding will support projects as part of the Islands Growth Deal including the Island Centre for Net Zero Carbon.

The Islands Deal commits the Outer Hebrides to ambitious targets in respect of net zero carbon, with many of the required elements to be delivered through the Islands Deal. Funding has therefore been used on development studies relating to the hydrogen Energy Hub in particular.

Through the Community Economic Recovery Projects the strategy identifies areas of activity with:

- opportunities for products and produce to be created closer to the point of consumption
- opportunities to restore a crofting / community food development fund

	<ul style="list-style-type: none"> ● opportunities to purchase additional quota to support the local fishing fleet ● new ways to market and deliver produce and services to local consumers ● opportunities through the Planning (Scotland) Act 2019 for the establishment of Local Place Plans ● opportunities for innovation around environmental designations to allow community control and a more appropriate balance
	<p>Plans for future rounds</p> <p>Any unspent monies will roll over into Year 2. The model for allocating funds locally will be reviewed once Year 3 allocations have been received.</p>
<p>Point of contact:</p> <p>Norman Macdonald</p> <p>01851 822629</p> <p>nmacdonald@cne-siar.gov.uk</p>	<p>Key links and documents:</p> <p>Policy and Resources Committee Paper – 11 December 2019</p> <p>Crown Estate Year 2 Allocation – 21 August 2020</p> <p>Community Economic Fund – Policy and Resources Committees Paper 30 September 2020</p> <p>Area Forums Projects and Funding Application Form</p>

Net Revenues Round 1: 1.29m Round 2: 1.74m	Summary of approach The Highland Council follows the Scottish Government methodology of distribution, allocating 85% of their overall allocation to 9 area committees with coastline. As per the Scottish Government allocation formula, devolved budgets are set according to the sea area within each area committee geography. The remaining 15% is ring-fenced for Highland wide projects and administration of the programme. Applicants can apply for funding through the Highland Coastal Community Fund, up to a maximum of £100k and a minimum of £5k. Generally, it is not expected that applications will be in excess of £100,000 grant from HCCF. The allocation for Year 1 and 2 has been rolled together. To date around £2.6m has been allocated. Coastal Community Definition Applicants should be within 5km of the Highland coast. Applicants from outwith this zone may be considered if they are able to demonstrate coastal community/economic benefit Approach to Community Engagement Applicants apply through a 2-stage process involving an Expression of Interest and a Full Application considered by local councillors at Area Committees. Local support and wide community benefit are assessment criteria that all applications are subject to. Eligible applicants include: constituted community groups, local authorities or public sector bodies, charities, voluntary and social enterprises, cooperatives and community ownership initiatives, development trusts, private businesses and places of worship.
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	<p>Local development officers provide support to applicants with the aim of improving the capacity of the applicant groups</p>
<p>Priorities</p> <ul style="list-style-type: none"> ○ economic recovery ○ community resilience ○ impact of climate and ecological emergency ○ address rural depopulation 	<p>Notable projects and themes</p> <p>In light of the COVID-19 crisis, the allocation of funding had been directed to economic recovery and community resilience projects with the detail being determined at a local level as appropriate to the area.</p> <p>To date there have been 72 local projects awarded funding.</p> <p>Environmental Priorities</p> <p>All projects should demonstrate that they have taken account of environmental sustainability, such as transition to a low carbon economy and/or how to mitigate, adapt or build resilience to climate change</p> <p>Plans for future rounds</p> <p>It is expected that funds will again be devolved to Local Area Committees for disbursement. A review of the initial two rounds of funding is to be undertaken to inform Members thinking around how to best focus/prioritize funding within areas and also to determine the value and demand for a strategic allocation for pan highland projects.</p>
<p>Point of Contact</p> <p>Fiona Cameron</p> <p>01463 702425</p> <p>Fiona.cameron4@highland.gov.uk</p>	<p>Key Links and Documents:</p> <p>Highland Council Coastal Community Fund Application Form</p> <p>Economy and Infrastructure Committee Paper – May 2021</p> <p>Website: About the Fund Highland Coastal Communities Fund The Highland Council</p>

<p>Net Revenues</p> <p>Round 1:</p> <p>£1.158m</p> <p>Round 2:</p> <p>£1.504m</p>	<p>Summary of approach</p> <p>For Year 1, Argyll and Bute council identified ‘live’ projects that needed to be delivered but didn’t already have the necessary resources. Examples included Tobermory Public Realm and Railings, a contribution to the Campbeltown Flood Defence Scheme and an allocation to Road and Infrastructure Services for essential drainage and coastal road improvements.</p> <p>For Year 2, funding will go towards those projects that have a focus on regeneration and tackling issues that Argyll and Bute Council know the community want and need. Funding has been topped up to 2.35m and distributed to 4 main areas.</p> <p>Interventions are more strategic in nature, e.g.,</p> <ul style="list-style-type: none"> ○ funding put towards projects that may then unlock further potential investment ○ funding allocated that removes financial pressures on coastal communities ○ avoiding projects that are potentially a longer revenue burden
	<p>Coastal Community Definition</p> <p>A Coastal Community has not been specifically defined. Approximately 80% of Argyll and Bute’s population lives within 1 km of the coast.</p> <p>Approach to Community Engagement</p> <p>Though not all of the projects that are being delivered have had explicit community engagement, they have often derived from community aspirations and community need.</p>
<p>Priorities</p> <ul style="list-style-type: none"> ● Environment ● Community 	<p>Notable projects and themes</p> <p>Year 1 – Flooding and Drainage</p> <ul style="list-style-type: none"> ○ Tobermory railings and flood prevention scheme - £145,000 ○ Rothesay pontoons improvement - £151,000 ○ Helensburgh flood mitigation - £300,000

- Climate Change
- Economic Development

- Campbeltown flood defences - £270,000
- Coastal roads improvements, flood mitigation and emergency works across the area - £292,000

Year 2 – Regeneration

- Bute & Cowal – Cycling, Sailing and Learning (£550,000)
- Helensburgh and Lomond – Clyde St Refurbishment + Arrochar Car Parking (£600,000)
- Mull & Kerrera – Tobermory Car Parking & Kerrera Road (£600,000)
- Mid Argyll, Kintyre & The Islands – Public Realm Investments, Kilmory Industrial Estate, Climate Change Hub, Jura community Gigabit Programme, Campbeltown economy (£600,000)

Environmental Priorities

Greener and Cleaner Communities as aligned with Argyll and Bute Council’s 2017 – 2022 priorities.

Plans for future rounds

For the future, half of the Year 2 funding has already been committed, other monies will be spent on small impact projects across several areas. Argyll and Bute Council may look towards more ambitious/innovative projects as prioritised projects are realised. This may also include greater community consultation in order to refresh their understanding of the community vision.

Other Key Points

Argyll and Bute Council recognise that in the funding landscape that Scottish Crown Estate funding cannot be viewed in isolation of other current funding opportunities.

Point of contact

Fergus Murray
Head of Development and Economic Growth

Key links and documents

Policy and Resources Committee [Decision](#) Dec 2019
[Press Release](#) 25th Feb 2021 – Council announces allocation of funding

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<p>Net Revenues</p> <p>Round 1: £1.0m</p> <p>Round 2: £1.35m</p>	<p>Summary of approach</p> <p>Shetland Islands Council has established a Shetland-wide, Grant Aid fund with clear eligibility criteria. Projects should align with the priorities as stated in the Shetland Partnership Plan. There is a 90% intervention rate with a maximum of £100k, minimum of £10k funding allocation. The allocation for Year 1 and Year 2 have been rolled together.</p>
<p>Priorities</p> <p>Priorities align with the Shetland Partnership Plan 4 key areas:</p> <ul style="list-style-type: none"> ○ money ○ people ○ participation ○ place 	<p>Coastal Community Definition</p> <p>Coastal Community includes all of Shetland, and all projects are considered if they fit the defined criteria.</p> <p>Approach to Community Engagement</p> <p>Applicants can apply via a 2-stage process involving an Expression of Interest and a Full Application (or business plan >£25,000) reviewed by a panel meeting quarterly.</p> <p>Eligible applicants include: public bodies, charitable organisations, community groups, industry-based projects where there is a collective need, but not open to businesses.</p> <hr/> <p>Notable projects and themes</p> <p>Allocation of funding to date can be found in the Coastal Communities Grants Awards paper.</p> <p>Example of projects that have received funding to date:</p> <p>Cullivoe Marina Pontoons £100,000 Wild Skies Shetland Interpretation Project £45,000 Grow Shetland £97,000</p> <hr/> <p>Environmental Priorities</p> <p>Contributing to the net zero agenda through carbon reduction and renewable energy.</p>

Supporting communities to develop projects which promote and develop local resilience in areas such as food supply, connectivity and energy.

Plans for future rounds

Shetland Islands Council may consider different intervention rates and thresholds at different stages of planning e.g. feasibility, design and build stages. Shetland Islands Council will also consider the net revenue funding within the funding landscape to avoid duplication of other available funds.

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– Economic
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Service

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Key links and documents:

Shetland Partnership [Plan](#)
Allocation of funding to date – Coastal Communities Grant Awards [paper](#)
Eligibility criteria and guidelines – Public [Paper](#)

Orkney Islands

<p>Net Revenues</p> <p>Round 1: £773k</p> <p>Round 2: £1.042m</p>	<p>Summary of approach</p> <p>Orkney Islands Council have allocated Year 1 funding to projects that would deliver immediate benefit to Orkney communities. Projects had to align with clear priorities that form the eligibility criteria as detailed under Priorities below.</p> <hr/> <p>Coastal Community Definition</p> <p>Coastal Community includes all of Orkney and all projects are considered if they fit the defined criteria.</p> <p>Approach to Community Engagement</p> <p>Though the projects being delivered have not had explicit community engagement they have derived from community aspirations and community need. Elected members attend community council meetings where there is an active transfer of information between local communities and elected members.</p>
<p>Priorities</p> <ul style="list-style-type: none">○ sustainable development○ support growth and job creation○ strategic coastal and marine planning○ transition to low carbon economy○ cultural and social wellbeing	<p>Notable projects and themes</p> <p>Year 1 Allocation of £130,000</p> <ul style="list-style-type: none">○ Bag the Bruck – £35,000.○ Marine Planning Partnership – £50,000.○ coastal core paths – £35,000.○ public conveniences – £10,000. <p>COVID-19</p> <ul style="list-style-type: none">○ the council agreed that Scottish Crown Estate net revenue funding could supplement a Coronavirus Support Fund in support of local businesses. (Funding from 1st tranche)○ the council would top up Business Grants (rates based on £10,000 and £25,000) by 10%○ climate change officer post, at £70,000 <p>Orkney Sustainable Fisheries received funding in 2020 to prepare a Roadmap for the future of the local fish industry.</p>

Potential projects for unspent Year 1 Allocation

- funding support for additional agricultural lairage at Orkney Auction Mart to enable logistics for islands-based farming arising from a wetter climate
- investment in coastal protection and flooding infrastructure
- infrastructure investment and management measures to support sustainable economic development in Orkney

Environmental Priorities

- support the transition to a low carbon economy
- support measures that mitigate the effects of climate change, adapt to climate change and build greater resilience to the effects of climate change
- support and enable best practice to manage and make use of coastal and marine resources

A complete list of the guiding principles for the Net Revenue funding can be found at Proposals for Allocation of Marine Estate Revenue Funding – 2019 Paper, Page 5, 6.3.

Plans for future rounds

At Year 1 End, a fund was created for all unspent monies to be carried forward to year 2 and to be spent in line with the existing principles.

Point of contact:

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Key links and documents:

Proposals for Allocation of Marine Estate Revenue Funding-2019 [Paper](#)

Policy and Resources Committee [Paper](#) -22/09/20

Aberdeenshire Council

Net Revenues Round 1: 338k Round 2: 428k	Summary of approach Aberdeenshire Council allocated 50% of their Scottish Crown Estate net revenue allocation to their 4 area committees with coastline, providing more localized decision-making to their coastal communities. The other 50% is allocated to a challenge fund under the operation of NESFLAG. Eligible applicants include: SMEs (limited companies, partnerships or sole traders), Public sector organizations, Co-operatives, Charities registered in Scotland, Constituted community groups. Coastal Community Definition Kincardine and Mearns, Banff, Formartine, Banff and Buchan are the 4 areas with Aberdeenshire coastline that receive an equal share of 50% of Aberdeenshire's allocation of the Scottish Crown Estate Net Revenue funding. NESFLAG Criteria - Project must be within 1 mile of Aberdeenshire's coastline and must have a tangible link to the coast and/or the sea and this can include projects related to the fishing sector and/or the marine environment. Approach to Community Engagement Aberdeenshire Council sought input from the community to inform a Council Policy on the use of Crown Estate Funding that would be driven by local priorities.
Priorities <ul style="list-style-type: none">○ active travel/paths○ tourism	Notable projects and themes <ul style="list-style-type: none">○ new value-adding fish processing equipment for Sutherlands of Portsoy (£19,000)○ purchase of new boats for children's sailing lessons in Peterhead (£10,000)

<ul style="list-style-type: none"> ○ economic development ○ community facilities ○ recreational activities ○ the Environment <p>NESFLAG Priorities</p> <ul style="list-style-type: none"> ○ our economy ○ our people ○ our environment 	<ul style="list-style-type: none"> ○ new displays and interpretation at Macduff Aquarium (£35,000) ○ outdoor equipment, signage and access improvements in Collieston (£15,500) ○ an upgrade of the café and restaurant at the Museum of Scottish Lighthouses in Fraserburgh (£18,000) ○ establishment of a monthly producers’ market in Peterhead town centre (£4,200) ○ new access ladders at Portsoy Harbour and design work on access towers for Macduff Harbour’s slipway (£19,500) ○ an innovative boat attachment which will collect seabed waste and debris at Fraserburgh Harbour (£17,200) ○ a new business offering on-board dining on a historical boat at Stonehaven Harbour (£43,500) ○ engine upgrades to safety boats for Aberdeen & Stonehaven Yacht Club. (£10,600) <p>Environmental Priorities</p> <ul style="list-style-type: none"> ○ enhance environmental assets in coastal areas <p>Plans for future rounds</p> <p>The funding framework was established in early 2021 and will be used for future rounds.</p> <p>Other Key Points</p> <p>Aberdeenshire Council would be keen to emphasise the need for a longer-term commitment e.g. 5 years of funding, even if this is to a minimum grant size.</p>
<p>Point of contact:</p> <p>Linda Gerrard, PA to Head of Service</p> <p>01467 539 812 linda.gerrard@aberdeenshire.gov.uk</p>	<p>Key links and documents:</p> <p>New Framework for Aberdeenshire Scottish Crown Estate Funding Distribution - Press Release NESFLAG funding Criteria NESFLAG Funded Projects List Report to Infrastructure Services Paper – March 2021 Aberdeenshire Council Survey – Input from Community to Council Policy</p>

Dumfries and Galloway Council

Net Revenues Round 1: 309k Round 2: 416k	Summary of approach Dumfries and Galloway has established a Coastal Benefit Fund, inviting communities to submit applications in request for funding from the allocation of Crown Estate Net Revenue funding. Applications are required to be for new projects, including feasibility studies for new initiatives. Applications can be for capital and/or revenue costs. Three funding streams are available as part of the fund: Two for Community and Public Sector - A smaller (total £75,000) and larger fund (£266,620) One for Businesses - £75,000 The scoring framework for all funding streams will be weighted to support projects seeking less than 50% intervention from this fund.
	Coastal Community Definition Applications for funding must benefit communities that have a coastline. Approach to Community Engagement Dumfries and Galloway council opens the Coastal benefit fund to public and third sector organisations. The criteria stipulate that applying organisations must demonstrate tangible benefits to the safety, health and wellbeing and/or economy of coastal communities. Third sector, community or public organisation must also demonstrate support from the residents of the of the coastal community for the project (e.g. letters of support, community consultation etc).
Priorities <ul style="list-style-type: none">• build the local economy• provide the best start in life for children	Notable projects and themes Raydale Community Partnership – Raydale Community Sports Hub (£18,750) Aldouran Wetland Garden (£6,750).

- protect our most vulnerable people
- be an inclusive council
- urgently respond to climate change and transition to a carbon neutral region

Environmental Priorities

- encourage understanding of how the way we live and work in the region impacts on climate change
- empower our communities and stakeholders to make significant changes to reduce emissions and adapt to a low carbon approach
- lead on the transition to cleaner and greener technologies
- promote and protect our region's natural environment
- contribute to a greener economy, maximising the region's green energy potential

Point of contact:

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Engagement
Service

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Key links and documents:

Coastal Benefit Fund Application [Criteria](#)
Guidance [Criteria](#)



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