

Date : 14 May 2015  
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## **DEVOLUTION OF CROWN ESTATE ASSETS TO SCOTTISH GOVERNMENT – CONCERNS AND CONSIDERATIONS**

- NFUS Scotland (NFUS) is aware of proposals, recommended in the 2014 Smith Agreement, to devolve Crown Estate assets in Scotland to the Scottish Government.
- NFUS takes interest in this proposal on behalf of its members who are agricultural tenants on Crown Estate rural land, on the Glenlivet, Whitehill, Applegirth, and Fochabers Estates.
- NFUS notes with concern some discussion of Crown Estate rural land being handed to local authorities or to Forestry Commission Scotland (FCS) following the devolution of these assets, and hopes to open a discussion on possible management options once these powers come under the Scottish Government's jurisdiction.

### **Background**

1. NFUS welcomes the Smith Agreement's recommendations on the devolution of further powers to Scotland. We consider that, whilst the recommendations have little direct impact on the day-to-day livelihoods on our members, the implications of these further powers will generally be positive for the NFUS membership.
2. On the whole, NFUS' tenant farming members enjoy a good working relationship with the Crown Estate as landowners, and there have been some reservations expressed about what, if any, impact the devolution of Crown Estate Commissioners and revenues could have on these relations.

3. NFUS has been made aware of concerns from members who currently hold tenancies on Crown Estate rural land following discussions on future management plans following the devolution of Crown Estate assets to the Scottish Parliament.
4. NFUS echoes a query made by the Crown Estate to the Scottish Parliament's Devolution (Further Powers) Committee in March 2015<sup>1</sup> regarding where the management responsibility will sit within the Scottish Government when the devolution of management of assets does take place. In particular, NFUS is keen to receive clarity on when a transfer make take place, to ensure its members are continued to be supported by the Crown Estate as their landlord.
5. NFUS understands that the Crown Estate began engagement meetings with the Scottish Government in mid-March as part of a series of liaison meetings to discuss the remit and nature of the Crown Estate's business activity ahead of the devolution of the management of assets in Scotland. This is a welcome move and NFUS hopes the outcome of these meetings are proactively constructive for the Crown Estate's rural portfolio ahead of the eventual devolution of powers.
6. NFUS welcomes the opportunity to open up discussions on possible management options with MSPs ahead of the legislation being brought in front of Parliament, and suggests that an open dialogue is held to allow the key concerns and consideration from every sector within the Crown Estate's portfolio to be heard.

### **Key concerns and considerations**

7. As highlighted above, tenants of the Crown Estate generally consider the organisation to be good landlords, and NFUS members who are tenants of the rural estate would wish to see no change to the status quo with regard to the management of this land.

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<sup>1</sup> <http://www.thecrownestate.co.uk/media/451480/bruce-crawford-msp-letter.pdf>

8. With various types of agricultural tenancies being held in these areas, NFUS queries the implications for short-term tenancies that are due for renewal during the transitional period as these assets are devolved. It is important that any manager of Crown Estate farm land continues the good track record of the current landlord in making land available to rent.
9. Particular concerns have been raised about the possibility of local authorities being handed responsibility for Crown Estate management of farm land. Similarly, NFUS considers that the suggestion to hand some of the management responsibility of Crown Estate rural land to FCS could lead to conflict between food production and tree-planting targets.
10. Finally, NFUS queries what, if any, impact the devolution of asset management could have on capital investment decisions on Crown Estate farm land. NFUS further notes from the Crown Estate's evidence to the Devolution (Further Powers) Committee that the organisation intends to make no further investment to acquire new rural assets in or around Scotland – instead focussing on prime retail schemes. We would hope that this would allow capital to be freed up to make important investments in the Crown Estate's current rural portfolio, to the benefit of NFUS members currently holding tenancies in these areas.