

SCOTTISH CROWN ESTATE ACT 2019

EXPLANATORY NOTES

THE ACT

Part 3 – Management of Scottish Crown Estate assets

Planning and reporting

40. **Section 22** requires the Scottish Ministers to prepare a strategic management plan in respect of the Scottish Crown Estate and sets out the requirements of that plan. The plan is to set out the objectives, priorities and policies in relation to the management of the estate and must include an assessment of how those align with the Scottish Ministers' other objectives, priorities and policies (subsections (1) and (2)). It can also include such other information about the Scottish Crown Estate and its management as the Scottish Ministers consider appropriate (subsection (3)). The Scottish Ministers must consult with managers and other persons they consider appropriate in preparing the plan (subsection (4)). A copy of the plan is to be laid before the Scottish Parliament and the Scottish Ministers must publish the plan as soon as reasonably practicable after it has been laid (subsection (6)). Managers of one or more Scottish Crown Estate assets are to have regard to the strategic management plan when preparing their management plans (see below) and when exercising their management functions (subsection (5)). Section 23 requires 5-yearly reviews of the plan to take place. A review may either result in a revised plan being prepared (subject to the same consultation, laying and publication requirements) or in the Scottish Ministers laying a statement before the Scottish Parliament that they consider the plan should not be revised. The Scottish Ministers' functions under sections 22 and 23 can be delegated to Crown Estate Scotland by virtue of section 39(1).
41. **Section 24** requires all managers (other than Crown Estate Scotland) to prepare a management plan and specifies what it must cover. Management plans are prospective plans covering a 3 year period. Each plan is to set out the manager's objectives for the period, the activities the manager proposes to undertake during that period in pursuit of the objectives, any risks associated with those activities, outcomes against which the achievement of the objectives may be assessed and how the manager proposes to maintain and seek to enhance the value of assets under their management. The plan must also set out whether the manager proposes to dispose of any Scottish Crown Estate assets during that period and, if so, how the manager proposes to use any proceeds of the disposal.
42. Crown Estate Scotland is separately required to prepare a corporate plan, which is similar to a management plan, under article 19 of the Crown Estate Scotland Order. Accordingly, to avoid Crown Estate Scotland having to prepare duplicate reports, subsection 24(4) provides that sections 24 and 25 do not apply to Crown Estate Scotland.
43. **Section 25** makes provision for the Scottish Ministers to approve (with or without modifications agreed by the manager) or reject management plans. Where the Scottish Ministers reject a plan, subsection (3) requires a manager to submit a revised plan to the

Scottish Ministers within such period as they direct. The approved management plans must be published by the manager as soon as reasonably practicable after it is approved (subsection (4)). In recognition that circumstances change, subsection (5) makes provision for revising plans and requires such revision in particular circumstances. Managers may revise plans from time to time at their discretion, and must do so if the function of managing an asset is transferred to or away from them under regulations made under section 3(1) or when the function is delegated to or by them under section 5. A revised plan must be sent to the Scottish Ministers (unless the manager is the Scottish Ministers), and the approval and publication process applies to revised plans as it applies to original plans (see subsection (7)).

44. **Section 26** requires managers (other than Crown Estate Scotland) to prepare an annual report on their activities during the year, as managers are to be accountable for the way they exercise the function of managing Scottish Crown Estate assets. Crown Estate Scotland is separately required to prepare an annual report under article 18 of the Crown Estate Scotland Order. The matters to be included in the report are set out in subsections (2) to (6) and include an assessment of how the activities have contributed to meeting the manager's objectives as set out in its management plan. The report is also to include a list of any directions given to the manager by the Scottish Ministers or the Secretary of State under the Transfer Scheme during that financial year (subject to the exception set out in subsection (5) providing that a direction given, revised or revoked by the Secretary of State is not to be included if the Secretary of State notifies that it is not to be listed in the manager's annual report). Subsection (7) provides that a manager must complete and send a copy of its annual report to the Scottish Ministers by no later than 3 months after the end of the financial year to which it relates i.e. no later than 30 June each year.
45. **Section 27** requires the Scottish Ministers to lay a copy of the annual reports prepared under section 26(1) or article 18(1)(a) of the Crown Estate Scotland Order before the Scottish Parliament. The Scottish Ministers are able to lay copies of individual reports or to lay copies of the reports as part of a consolidated report. As soon as possible after laying copies of the reports, whether individually or consolidated, the Scottish Ministers are required to publish the reports. Managers must not publish their own reports until a copy of it has been laid before the Scottish Parliament, either as an individual report or as part of a consolidated report. The duty contained in this section for the Scottish Ministers to lay a copy of each annual report before the Scottish Parliament (either individually or as part of a consolidated report) may be delegated to Crown Estate Scotland by virtue of section 39.