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# NORTH AYRSHIRE COUNCIL

March 2020

## Cabinet

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**Title:** Crown Estates Scotland – Memorandum of Understanding

**Purpose:** This report seeks approval to enter into a memorandum of understanding with Crown Estates Scotland to establish a partnership approach to exploring opportunities for Crown Estates Scotland investment in North Ayrshire as part of its place-based strategy.

**Recommendation:** That Cabinet approves that the Council enters into a partnership agreement with Crown Estates Scotland to explore investment opportunities to support North Ayrshire Council's regeneration and economic development priorities.

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## 1. Executive Summary

- 1.1 North Ayrshire Council to enter into a Memorandum of Understanding partnership agreement with Crown Estates Scotland (CES) to explore opportunities for CES to invest in North Ayrshire.
- 1.2 This offers several benefits including that the partnership approach will support: -
- The delivery of the Council's strategic priorities;
  - Exploration of opportunities to maximise investment in strategic assets to complement Ayrshire Growth Deal investment and support additional private sector investment in North Ayrshire;
  - Cost-effective investment that can overcome private sector barriers resulting from market failure;
  - Investment in North Ayrshire's communities and creation of employment opportunities.

## 2. Background

- 2.1 CES is a relatively new organisation having been established in 2017. Since then, the role and remit of CES has been established through the [Scottish Crown Estate Act 2019](#), as being to manage its assets to support sustainable development generally, and economic development, regeneration, social and environmental well-being specifically. CES is committed to taking a longer-term view on how – and what – it delivers for Scotland.

2.2 CES's [business plan](#) outlines its immediate priorities, which are summarised as follows:

- Engage with local communities, tenants, communities of interest, businesses and the public sector to:
  - support strategic development in coastal infrastructure and the 'blue economy' more widely
  - review working relationships with the aquaculture and wild fisheries sectors to create a long-term sustainable future
  - work with partners in the built environment to best add value, taking a holistic approach and identifying opportunities with strategic development potential
- Manage the rural assets to ensure they deliver wider value
- Collaborate with communities, building on their Local Management Pilots Scheme and the success of moorings associations
- Launch new leasing for offshore wind to attract investment in Scotland

2.3 There is a strong correlation between the CES priorities outlined in its business plan and the North Ayrshire priorities as established and being developed through the Ayrshire Growth Deal and through the emerging Ayrshire Regional Economic Strategy.

2.4 As a result of this strategic context, CES has expressed interest in working in partnership with North Ayrshire, to develop a place-based pilot of significant scale, to explore how it can invest in activities in North Ayrshire that meet shared strategic priorities. Through discussion between CES and Council officers, it is apparent that a programme of investment could be developed, which is beneficial to CES in terms of being a viable investment for CES, cost effective for the Council, and mutually aligned to CES and North Ayrshire Council strategic priorities.

2.5 The partnership would have a range of potential benefits to the Council in being able to maximise the impact of Ayrshire Growth Deal investment and other major capital investment programmes and increase capacity to leverage private sector investment and activity, resulting in investment in communities and access to employment opportunities.

2.6 Initial discussions have indicated that there may be potential for investment at several of the Council's Strategic Development Areas identified in the adopted Local Development Plan, and, which are being advanced by significant capital investment programmes – including Ayrshire Growth Deal. The following table highlights some of the opportunities identified, alongside an indication of potential timescale for investment. This is not an exhaustive list of potential investment opportunities, but a basis for exploring investment opportunities through a formal partnership agreement.

Investment Location	Potential Investment Opportunities	Timescale (short, medium, long term)
I3 - Irvine	<ul style="list-style-type: none"><li>• Site acquisition and development of flexible business space</li><li>• Investment in the digital laboratory proposal</li><li>• Investment in site energy infrastructure</li></ul>	Short
Hunterston	<ul style="list-style-type: none"><li>• Provision of site infrastructure (e.g. caisson gates, quayside infrastructure)</li></ul>	Short/Medium

	<ul style="list-style-type: none"> <li>• Site acquisition, and development of incubator space/industrial space to support activity in new marine/bio-technology processing and scale-up opportunities</li> </ul>	
Ardrossan	<ul style="list-style-type: none"> <li>• Site infrastructure and preparation for Marina expansion</li> <li>• Ardrossan Marina associated development (retail/chandlery/services facilities, food and beverage provision) and public realm</li> <li>• International marine science and environmental centre – development of centre, provision of supporting and ancillary facilities.</li> </ul>	Short/Medium
Great Harbour	<ul style="list-style-type: none"> <li>• Maritime mile: built environment developments and marine tourism infrastructure</li> </ul>	Short/Medium
Arran & Cumbrae	<ul style="list-style-type: none"> <li>• Development of marine tourism assets (e.g. transit marina facilities)</li> </ul>	Medium

2.7 CES has expressed interest in the roll-out of the community wealth building component of the Ayrshire Growth Deal. It is proposed that opportunities to support community wealth building are explored as part of any partnership agreement.

2.8 Given the scale of investment and opportunity to support the Council's strategic investment priorities, it is recommended that the Council enters a Memorandum of Understanding with CES to explore the opportunities for partnership working set out in this report.

### **3. Proposals**

3.1 It is recommended that Cabinet approves that the Council enters into a partnership agreement with Crown Estates Scotland to explore investment opportunities to support North Ayrshire Council's regeneration and economic development priorities.

### **4. Implications/Socio-economic Duty**

#### **Financial**

4.1 There are no direct implication arising from the development of a Memorandum of Understanding, however, the proposed development of a formal partnership between CES and North Ayrshire Council has the potential to bring significant additional investment in projects that will support the overall delivery of the Council's identified Strategic Development Areas, in line with the Council's approach to inclusive economic growth.

#### **Human Resources**

4.2 There are no staffing implications.

## **Legal**

- 4.3 The proposals include the development of a Memorandum of Understanding, which would be developed, in line with the terms set out in this report, in conjunction with legal services.

## **Equality/Socio-economic**

- 4.4 There are no impacts arising from an agreement to work in partnership to explore opportunities for investment in North Ayrshire. Any proposals emerging would be subject to future approvals, and further consideration would be given, at that time, to equalities and or socio-economic implications.

## **Environmental and Sustainability**

- 4.5 There are no environmental or sustainability issues arising directly from the proposals. Any development proposal requiring statutory consents would also require responding to environmental impacts at project level (e.g. environmental impact assessment screening/assessment).

## **Key Priorities**

- 4.6 The proposals meet a number of the Council Plan priority outcomes, including:
- North Ayrshire has an inclusive, growing and enterprising economy
  - North Ayrshire has active and strong communities
  - North Ayrshire is well-connected with effective infrastructure
  - North Ayrshire is a sustainable environment
  - North Ayrshire is a vibrant, welcoming and attractive environment

## **Community Wealth Building**

- 4.7 Community wealth building is an area that is of strategic interest to CES. The proposed partnership arrangement will support further exploration of potential to utilise resources of CES to support community wealth building.

## **5. Consultation**

- 5.1 No consultation has been undertaken at this stage. The partnership arrangements would potentially support investment in the Strategic Development Areas identified in the adopted Local Development Plan, which have been through extensive public and stakeholder engagement, and have been subject to robust scrutiny from Scottish Ministers.

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