



Wales highlights 2017/18

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Working for Wales

The Crown Estate is an active manager of marine and rural assets across Wales. We operate a purposeful business with strong values and a clear sense of the positive difference we can make. This report highlights some of the progress we made in 2017/18.



Gwynt y Mor wind farm, off the coast of north Wales

Brilliant places through conscious commercialism

Our purpose inspires us to pursue strong financial returns while always considering how we do business, including our long term social and environmental impacts. Our approach to asset management in Wales is shaped by our values, and grounded in partnership working. We collaborate with a diverse range of organisations so that together we can deliver positive outcomes.

This work includes collaborating with the Welsh Government, understanding its aims and working with a number of departments on shared priorities. For example, we are part of the Marine Planning Stakeholder Reference Group, and provide data and expertise to help with the development and implementation of the Welsh National Marine Plan (WNMP).

In addition, we continue to enjoy a strong working relationship with Natural Resources Wales. Our relationship is based on a Memorandum of Understanding, signed in 2015. This underlines our commitment to work in partnership where we have holdings to ensure that the natural resources of Wales are sustainably managed for the long term.

We also participate in a number of working and advisory groups. This includes membership of the Wales Marine Action and Advisory Group (WMAAG), and associated task and finish groups, to ensure a joined-up approach and knowledge-sharing across marine projects.

Areas of responsibility

Our responsibilities in Wales include the seabed out to 12 nautical miles. This means that we have interests in renewable energy, oil and gas pipelines, marine aggregate extraction, telecommunications and power cables.

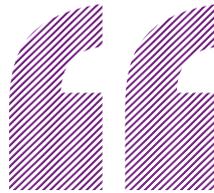
In addition, we hold the rights to the resources on the continental shelf, such as natural resources and offshore energy, but excluding fossil fuels. We also manage around 65% of the Welsh foreshore.

Following a regular strategic review of the portfolio, we sold Deganwy Marina on the Conwy Estuary in North Wales to Lakeland Leisure Estates, a specialist in the sector. We continue to explore opportunities to grow our business, and at the same time enhance the aquaculture industry and diversify marine uses within key locations, through active working and collaboration with key local stakeholders and businesses.

Inland, we own around 27,800* hectares (68,700 acres) of Welsh common land which is primarily rough pasture for grazing, but also acts as an important natural resource enjoyed by all with an interest in the Welsh countryside. Additional holdings include ports and marinas.

We are responsible for around 100,000 hectares (247,000 acres) of mineral-only interests, with ten sites currently leased for mineral extraction. In addition, we have deposits of gold and silver, known as Mines Royal, wherever they are found in the UK, and have two leases in place for gold mining in Wales.

*This is a slight change in the figure provided in the 2016/17 report. This is due to updated measurement of existing land ownership, and is not due to new land ownership.



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Nant-y-moch reservoir, in the Cambrian Mountains in northern Ceredigion, Wales

Supporting offshore renewable energy

As part of our remit to manage the seabed around Wales, we continue to work alongside government, industry and a wide range of partners to play an active role in unlocking the potential of offshore energy.

The previous year has been momentous for the UK’s world-leading offshore wind sector. By the close of the year, the UK had 7.5GW of offshore wind in operation supplying the electricity needs of 5.3 million homes. One of the largest operational wind farms in the world, the 576MW Gwynt y Môr, off the north coast of Wales, played a significant part in this and has kept Wales at the forefront of this rapidly growing sector.

In November 2017, we announced plans to work with the offshore wind sector and stakeholders to consider making new seabed rights available to developers across Wales, Northern Ireland and England. This would be an important step towards creating new opportunities to unlock the offshore wind energy potential in Wales, and support the UK’s clean energy future.

Wales also has significant wave and tidal energy potential. We have continued to play a role in supporting this sector by awarding seabed rights and collaborating with industry to address common challenges and share best practice. As part of this work we offer the opportunity to access the seabed for wave projects of up to 3 MW or tidal current projects of up to 30 MW.

Sharing knowledge

Bringing together key industry stakeholders to share knowledge and best practice lies at the heart of our long-term approach to asset management.

Our Marine Data Exchange (MDE) continues to grow and play an important role in making a wealth of marine survey data publically available. Data is available for anyone to download, for free, and includes environmental material, such as bird and marine mammal

surveys; resource information from meteorology and metocean data collection campaigns; and physical survey data, such as geotechnical and geophysical data. By making this information easily available, we are helping to stimulate research, support academia and contribute towards the sustainable development of the seabed around the Welsh coastline.

In 2017/18, the MDE saw a 30% increase in publically available data from offshore renewable projects in Wales and 60% of all survey data from offshore renewable projects in Welsh waters has been published on www.marinedataexchange.co.uk.

As the offshore sector continues to grow, ensuring marine energy research and knowledge is coordinated is an important step in building a sustainable sector for the long-term. Alongside the Welsh Government, Natural Resources Wales and other industry stakeholders, we continue to support the Offshore Renewables Joint Industry Programme (ORJIP) for Ocean Energy.

This brings together industry, regulators, researchers and funders so that the sector’s consenting risks can be addressed in a strategic and co-ordinated manner. This avoids duplication of efforts and, in turn, helps to reduce delays in project delivery.

ORJIP Ocean Energy has been instrumental in identifying and disseminating strategic and industry wide environmental research priorities. In 2017, it organised a Tidal Range Workshop alongside Natural Resources Wales and the Natural Environment Research Council (NERC) to discuss and better understand the environmental and regulatory challenges associated with this sector.

Marine aggregates

The Crown Estate is responsible for licensing the extraction of aggregates where we manage the seabed. Marine aggregates are an important resource for Wales, accounting for approximately 70% of sand and gravel sales in South Wales. In 2017, the tonnage of marine aggregates delivered to Welsh ports rose by 2% to 695 kilotonnes, with 375 kilotonnes of this being dredged from Welsh waters.

This year, we contributed insights to Welsh Government and Natural Resources Wales’ development of a revised policy for marine aggregate extraction. This was published for consultation as part of the Welsh National Marine Plan in January 2018 and we will continue to work closely with both organisations on its implementation.

We have continued to work to develop the Regional Seabed Monitoring Programme (RSMP). RSMP involves assessment of industry data relating to seabed animal communities from a large number of samples derived from multiple sources and delivered on a regional basis. It will lead to more effective management, innovative and cheaper monitoring solutions, and a more environmentally sustainable approach to managing activities in the marine environment.

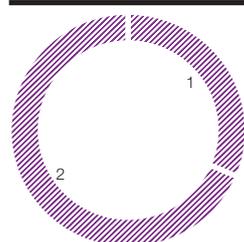
The programme has been developed in conjunction with the Centre for Environment, Fisheries and Aquaculture Science (Cefas), the Welsh Government, the Department for the Environment Food and Rural Affairs (DEFRA), the Marine Management Organisation (MMO) and the British Marine Aggregate Producers Association (BMAPA).

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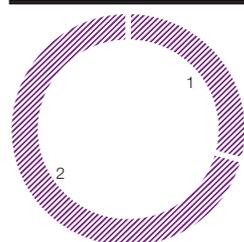
Financial highlights

Revenue by activity 2018 £m



1 Rural and Coastal	2.5
2 Energy, minerals and Infrastructure	5.4

Property value by activity 2018 £m



1 Rural and Coastal	28.0
2 Energy, minerals and Infrastructure	67.2

The Crown Estate in Wales

	The Crown Estate Wales Year ended 31 March 2018 £m	The Crown Estate Wales Year ended 31 March 2017 £m	The Crown Estate Total Continuing Operations Year ended 31 March 2018 £m	The Crown Estate Total Continuing Operations Year ended 31 March 2017 £m	Increase/ (decrease) from prior year %	Percentage of total %
Revenue	8.0	7.3	421.9	401.6	8.9	1.9
Gross Surplus	7.7	7.1	361.9	351.0	8.8	2.1
Property value	95.2	88.6	11,920.0	11,267.8	7.4	0.8
Capital Investments	0.4	0.2	273.8	563.0		
Capital Receipts	4.8	0.5	415.7	524.7		
	The Crown Estate Wales Year ended 31 March 2018 £m	The Crown Estate Wales Year ended 31 March 2017 £m			The Crown Estate Wales Year ended 31 March 2018 £m	The Crown Estate Wales Year ended 31 March 2017 £m
Revenue by activity			Property value by activity			
Coastal	1.6	1.7	Coastal	17.0	18.5	
Cables/pipelines	0.2	0.1	Cables/pipelines	2.2	1.9	
Agriculture	0.1	0.1	Agriculture	2.5	4.1	
Forestry	-	-	Forestry	0.1	0.1	
Minerals	0.7	0.8	Minerals	6.2	5.5	
Dredging	0.0	-	Dredging	-	-	
Rural and Coastal total	2.5	2.7	Rural and Coastal total	28.0	30.1	
Cables/pipelines	1.0	0.9	Cables/pipelines	10.6	10.5	
Dredging	0.7	0.5	Dredging	6.1	5.2	
Renewables	3.7	3.2	Renewables	50.5	42.8	
Energy, minerals and Infrastructure total	5.4	4.6	Energy, minerals and Infrastructure total	67.2	58.5	
Regional Retail	-	-	Regional Retail	-	-	
Total	8.0	7.3	Total	95.2	88.6	

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