

Wales highlights 2018/19

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Working for Wales

The Crown Estate is an active manager of marine and land assets in Wales. This report looks at the highlights and main developments during 2018/19.

Brilliant places through conscious commercialism

In everything we do, we are driven by a clear purpose: brilliant places through conscious commercialism. This means taking a long-term view, considering what we do from every perspective, and working in partnership with customers, communities and partners to deliver positive outcomes for all.

Areas of responsibility

Our responsibilities in Wales include the seabed out to 12 nautical miles, meaning we have interests including 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 per cent of the Welsh foreshore, which includes a number of ports, and have granted ground leases to various marinas.

We continue to collaborate and work together with key local stakeholders and businesses. One example of this is within the busy and multi-functional Port of Milford Haven. Over the course of the year, alongside day-to-day negotiations with the commercial port users and recreational mooring associations, we have additionally secured an agreement regarding the reintroduction of oyster cultivation and signed several agreements concerning the deployment of marine energy testing apparatus.

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 for all to enjoy within the Welsh countryside.

We are responsible for around 100,000 hectares (247,000 acres) of mineral-only interests, with nine sites currently leased for mineral extraction. In addition, we manage the rights to deposits of gold and silver, known as Mines Royal. There are two Mines Royal leases in place in Wales, along with a further three Option Agreements.

Working in partnership

Our approach to asset management in Wales is shaped by our values and grounded in a partnership approach which sees us work together with a diverse range of organisations. This 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 have provided 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 relationship with Natural Resources Wales and work in partnership where we have holdings to ensure that the natural resources of Wales are sustainably managed for the long term. Over the past 12 months we have engaged on our proposals for Leasing Round 4, the first offshore wind leasing round in a decade, as well as a marine aggregates tender. Further information can be found below.

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



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Supporting offshore renewable energy

The offshore wind sector has had another landmark year, seeing operational capacity increasing to 7.7GW, the equivalent to supplying the electricity needs of 6.6 million homes. One of the largest operational wind farms in the UK, the 576MW Gwynt y Môr wind farm, off the north coast of Wales, played a significant part in this and has kept Wales at the forefront of this rapidly growing sector. However, the long, hot summer of 2018 and the resulting slower wind speeds led to a reduction in the revenue received by our Energy, Minerals & Infrastructure portfolio in Wales this year.

In October 2018, we announced the completion of our initial assessment of offshore wind extension applications, confirming that eight projects, representing up to 3.4GW of potential new capacity, had passed the application criteria and will be awarded rights subject to the outcome of plan-level Habitats Regulations Assessment. This includes an extension to Gwynt y Môr.

During the year, we carried out extensive engagement with stakeholders and the market to develop and refine our plans for Leasing Round 4, which has the potential to deliver 7GW of new offshore wind capacity. Following the announcement in November 2017 that we intended to make new areas of seabed available for offshore wind, we have been working to create a tender process which supports a mature and thriving market. Our extensive analysis of seabed constraints, technical resource and data has been shared with industry to help developers select the best sites for their new projects.

As part of this engagement, during the early part of 2019 we shared our proposals with Welsh Assembly Members giving an overview of the extensive spatial analysis that underpinned our seabed regions refinement process.

 Our plans for Leasing Round 4 are currently being finalised, more information can be found here: thecrownestate.co.uk/leasing-round-4

This presents 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 continue to play a role in supporting this sector through engagement with the Marine Energy Wales Working Group and through discussions with our customers over the issues facing their awarded leased sites. We continue to offer the opportunity to access the seabed for wave projects up to 3MW or tidal stream projects up to 30MW.

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 2018, the tonnage of marine aggregates delivered to Welsh ports was 605,360 tonnes, with 342,871 tonnes being dredged from Welsh Waters.


This year, as part of our continued engagement with the Welsh Government and Natural Resource Wales, we gave input on the revised policy for marine aggregates and supported implementation considerations as part of the development of the Welsh National Marine Plan.

We also launched a marine aggregates licensing round, which produced a healthy level of interest receiving nine bids, one of which has a Welsh interest. Subject to the conclusion of a Habitats Regulations Assessment we will be awarding rights for Exploration and Option Agreements in the summer of 2019.

Finally, we commissioned manufacture of, and installed, our next generation Electronic Monitoring System (EMS) on the UK marine aggregate dredging fleet. EMS was originally introduced to monitor marine aggregate extraction activity in 1993. The latest system contains a number of technical upgrades and we have worked with the Welsh Government to ensure that it meets their regulatory enforcement requirements.

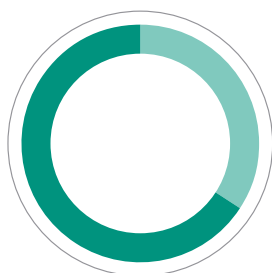
Sharing knowledge

Our expert teams are uniquely placed to look at the bigger picture across a breadth of sectors, carefully managing competing demands for space and helping to unlock opportunities for sustainable development. We do this through engaging with industry stakeholders and facilitating better information sharing. Our Marine Data Exchange (MDE) continues to grow and now holds over 16TB of offshore survey data collected in Welsh waters from 1956 to 2018. Covering a variety of survey campaigns, including environmental monitoring, site investigation and meteorological data, from sectors such as offshore wind, tidal stream and marine aggregates.

 Over half of this data is publicly available to access and download for free at: marinedataexchange.co.uk

As the offshore sector continues to grow, it is important to ensure that marine energy research and knowledge sharing is coordinated to help build 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 coordinated manner. This avoids duplication of efforts and, in turn, helps to reduce delays in project delivery.



Wales highlights
2018/19Financial highlights
(unaudited)

Revenue by activity 2018/19

Portfolio	Revenue
■ Energy, Minerals & Infrastructure	£4.8m
■ Rural & Coastal	£2.5m
Total	£7.3m



Property value by activity as at 31 March 2019

Portfolio	Value
■ Energy, Minerals & Infrastructure	£65.0m
■ Rural & Coastal	£28.0m
Total	£93.0m

The Crown Estate in Wales

	The Crown Estate Wales Year ended 31 March 2019 £m	The Crown Estate Wales Year ended 31 March 2018 £m	The Crown Estate Total Year ended 31 March 2019 £m	The Crown Estate Total Year ended 31 March 2018 £m	The Crown Estate Wales Increase/ (decrease) from prior year %	The Crown Estate Wales Percentage of Total %
Revenue	7.3	8.0	441.0	421.9	(8.8)	1.7
Gross Surplus	7.0	7.7	379.8	361.9	(9.1)	1.8
Property value	93.0	95.2	12,526.1	11,920.0	(2.3)	0.7
Capital Investments	0.2	0.4	381.3	273.8		
Capital Receipts	–	4.8	192.8	415.7		

	The Crown Estate Wales Year ended 31 March 2019 £m	The Crown Estate Wales Year ended 31 March 2018 £m		The Crown Estate Wales Year ended 31 March 2019 £m	The Crown Estate Wales Year ended 31 March 2018 £m
Revenue by activity			Property value by activity		
Rural & Coastal	2.5	2.6	Rural & Coastal	28.0	28.0
Energy, Minerals & Infrastructure	4.8	5.4	Energy, Minerals & Infrastructure	65.0	67.2
Total	7.3	8.0	Total	93.0	95.2

The 2017/18 reported revenue and gross surplus for Energy, Minerals & Infrastructure includes a one-off adjustment of £0.4 million.

Stay Informed

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