Wales

Highlights 2021/22

For the year ended 31 March 2022

THE CROWN ESTATE

For the period from 1 April 2021 to 31 March 2022

Our responsibilities include the seabed out to 12 nautical miles and the rights to the resources on the continental shelf, such as natural resources and offshore energy, but excluding fossil fuels.

Our interests include renewable energy, which is our most significant activity in Wales, oil and gas pipelines, marine aggregates extraction, telecommunications and power cables. We also manage around 65 per cent of the foreshore and tidal riverbed, which includes a number of ports, such as the busy and multi-functional port of Milford Haven in Pembrokeshire, and various marinas. Inland, we own over 50,000 acres of Welsh uplands and common land which is primarily rough pasture for grazing.

Working In Partnership

The Crown Estate collaborates with a wide range of stakeholders in delivering our strategy in Wales working in partnership to achieve shared priorities. In particular we value the productive relationship with Welsh Government and Natural Resources Wales, especially in addressing strategic energy and marine issues.

The Offshore Wind Evidence and Change programme launched in December 2020. It is a pioneering partnership programme led by us, bringing together 27 organisations from across the UK to work collectively on a shared mission, founded on the need to better understand and overcome the cumulative environmental impacts of offshore wind, and its effects on users of the sea and onshore communities.

To provide oversight and direction we have established a programme steering group which includes Welsh Government and Natural Resources Wales. Members provide their expertise and resources to identify, support and deliver strategic research and data projects. The Crown Estate has committed a £50 million 'kick-starter' investment to fund and deliver a five year programme. Over the period, these research and data projects will provide essential insights to help support the sustainable deployment of offshore wind, whilst also supporting clean, healthy, productive and biologically diverse seas.

We continue to work with Welsh Government to support its work on the implementation of the Welsh National Marine Plan. We are engaging with this process through participation in the Marine Planning Stakeholder Reference Group and contributing to evidence gathering, for example through the development of the Strategic Resource Areas and Sector Locational Guidance.

We also participate in a number of working and advisory groups. This includes membership of the Wales Marine Action and Advisory Group (WMAAG), the WMAAG Blue Recovery Sub-group, and the Marine Protected Areas Network Management Steering Group to ensure a joined up approach and knowledge sharing across the marine space.

Sharing knowledge

The Marine Data Exchange (MDE) is a first of its kind data repository storing the world's largest collection of offshore industry survey data, research and evidence. Built in 2013 and relaunched in 2021, the MDE holds offshore survey data collected by our customers throughout the lifecycle of their project, as well as new research that addresses evidence gaps. The MDE holds 16 terabytes of offshore survey data collected in Welsh waters from 1956 onwards, covering a variety of survey campaigns, including environmental monitoring programmes and tidal resource assessments from offshore wind and tidal stream projects. 65% of this data has been made publicly available, allowing users to download and utilise the data with ease. By making this wealth of data freely available we aim to give offshore projects in the UK a valuable head start, helping those involved to make informed, evidence-based decisions which support the sustainable development of the UK's seabed and the safeguarding of the marine environment. The Marine Data Exchange can be accessed online at: www.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. We have worked with the Welsh Government to ensure the work of ORJIP for Ocean Energy supports and feeds into Welsh focused activity to address evidence gaps and consenting challenges faced by the sector in Wales.

Supporting Growth of the Renewable Energy Sector

Offshore wind

During 2021/22, across our seabed holdings (around England, Wales and Northern Ireland), cumulative operational capacity in the offshore wind sector increased from 9.61GW to 10.78GW (an increase of 1.17GW).

Following the plan-level Habitats Regulations Assessment (HRA) for the 2017 Extensions opportunity during 2019, almost 3GW of new projects across English and Welsh waters progressed to award of seabed rights, alongside existing operational wind farms. This included the proposed extension to Gwynt y Môr, known as Awel y Môr. Once consented, the extension could deliver up to 576MW of capacity, adjacent to the existing project.

Read more in-depth insight into the progress of the UK's offshore wind sector in our latest Offshore Wind Operational Report online at: www.thecrownestate.co.uk/media/4095/2021-offshore-wind-report.pdf

Offshore Wind Leasing Round 4
In 2021, following a competitive tender process six proposed new offshore wind projects in the waters around England and Wales were brought forward through Offshore Wind Leasing Round 4 (Round 4). The six Round 4 projects together represent just under 8 GW of potential new offshore wind capacity with the opportunity to deliver clean electricity for more than seven million homes. One of the six projects selected is located off the Northern Welsh coast, North East of Anglesey. The successful bidder was a consortium of EnBW and BP and the project has a potential capacity of 1,500MW. This would provide enough power to meet the electricity needs of approximately 1.4 million homes and deliver a reduction in CO2 emissions of up to 2,344,176 tonnes per annum.

As with all relevant plans or projects, there is a requirement to undertake an HRA. For offshore wind developments, this is an important step in assessing any potential impacts on the network of protected areas covering the UK's most valuable species and habitats. In April 2022, having completed our work on the plan-level HRA, we gave notice to the UK and Welsh governments of our intent to progress all six projects to the next stage of the leasing process – the award of an Agreement for Lease – on the basis of a derogation. The Welsh Government raised no objections and in July 2022, the Secretary of State for Business, Energy and Industrial Strategy confirmed that The Crown Estate may proceed with the Offshore Wind Leasing Round 4 plan. The latest information on Round 4 can be found online at: thecrownestate.co.uk/round-4/

Floating offshore wind in the Celtic Sea
In Autumn 2020 we awarded rights for the Erebus 100MW Test and Demonstration project, developed by Blue Gem wind. Situated 45km south west of Pembrokeshire, the project is well advanced with planning and engineering design.

In July 2021, the Llŷr 1, Llŷr 2 and White Cross Test and Demonstration projects, comprising three separate 100MW sites in the Celtic Sea close to South Wales, were given the green light to progress to the plan-level Habitats Regulations Assessment stage of the leasing process.

The projects test new foundation and mooring technologies, using new designs, materials and construction approaches and could play an important role in supporting the development and momentum of the regional supply chain, helping support new jobs, skills and economic growth.

This cluster of floating wind Test and Demonstration projects will be one of the most significant in the world and projects like these represent a vital step towards the ambition to develop floating wind at commercial scale.

To further support the development of the floating offshore wind sector beyond Test and Demonstration scale, in November 2021 The Crown Estate set out its ambition to unlock 4GW of new floating wind capacity in the Celtic Sea by 2035. We have continued to engage with the market and stakeholders on our plans and in February 2022 hosted a workshop with over 70 statutory stakeholders including Welsh Government and Natural Resources Wales. This insight is an essential part of ensuring our leasing approach protects, and where possible, enhances coastal and marine environment habitats.

We will be tendering projects which may be developed in a phased or 'stepping stone' approach. This is deliberately intended to provide further opportunities for investment in the supply chain and to facilitate the co-ordination of supporting infrastructure and communities. We are committed to working with and alongside other stakeholders to build a strong supply chain in Wales and are exploring the options to help stimulate investment.

Further information on floating offshore wind can be found online at: www.thecrownestate.co.uk/en-gb/what-we-do/on-the-seabed/floating-offshore-wind/

Wave and tidal

Wales has significant wave and tidal energy potential and we continue to play a role in supporting this sector through engagement with Welsh Government, industry forums such as Marine Energy Wales Working Group, the Welsh Government's Consenting Strategic Advisory Group, and through discussions with our existing and potential customers around their awarded leased sites and development plans.

To support the sector in the early development and consenting phase, we have committed £1.2 million into the Morlais Demonstration Site off Anglesey, in a joint funding agreement with Welsh Government. Our investment supports the environmental monitoring and mitigation programme (EMMP), an essential step in safeguarding the marine environment and enabling the project to progress. All data collected as part of the EMMP will be shared with our Marine Data Exchange and made available to the public to benefit the sector and other marine users. This represents an important step in addressing significant evidence gaps and consenting challenges faced by the tidal sector, and the formation of an Advisory Group, which we are a member of, to steer the EMMP work is an example of collaborative working across the public sector, academia and tidal stream industry.

Working with the Coastal Community

Building on the foundations of the Dale Seagrass Project undertaken by Swansea University, we have granted rights to Swansea University for a further seven experimental seagrass restoration sites around Wales. It is anticipated that the knowledge data collected and lessons learned from the experimental sites will culminate in large scale seagrass restoration areas providing environmental benefits including marine habitat and carbon sequestration.

In the last year we have granted multiple licences for aquaculture schemes, including a three hectare site in Ramsey Sound to Cân-y-Môr, a Community Benefit Society. The Society is hoping to pave the way for sustainable and environmentally friendly commercial aquaculture, while improving the coastal environment and the wellbeing of the local community. Cân-y-Môr practices zero input farming (using no fertiliser, pesticides, or freshwater) and is hoping to open other farms in the future.

We have also agreed the first of what we anticipate to be one of many licences linked to the Pembroke Dock Development scheme, which aims to establish a world-class base for marine energy and engineering and increasing the UK's production of clean, green energy.

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 80% of sand and gravel usage in South Wales.

In 2021, the tonnage of marine aggregates delivered to Welsh ports increased slightly to 699,674 tonnes, all of which was dredged from Welsh waters. A total of 1,573,590 tonnes were dredged from Welsh waters, an increase of 14% on the prior year.

As part of our commitment to regularly tender exclusive rights to enter an Exploration and Option Agreement for marine aggregates, we held a tender in 2021 to help ensure the future pipeline of this critical building material component for the construction sector and to support coastal defence and adaptation projects, including resilience to climate change.

In 2018 we introduced our next generation Electronic Monitoring System (EMS) to the regular UK marine aggregate dredging fleet. We have been developing this system further to create a version that is dedicated to the non-regular contract dredging fleet, aimed at one-off coastal adaptation projects such as beach replenishment and capital dredging. The system was used in the Colwyn Bay beach replenishment project to facilitate the monitoring of dredgers that operate on marine aggregate licences on a temporary, ad-hoc basis and enables us to ensure all dredging activity in our waters continues to be undertaken in a responsible and compliant manner.

Taking a leading role in stewarding the natural environment and biodiversity

The Crown Estate is a competent authority for the purposes of the Habitats Regulations. Under the Habitats Regulations, competent authorities are obliged to exercise their functions so far as they are relevant to nature conservation, including marine conservation, to secure compliance with the requirements of the Regulations. This requires us to undertake a plan-level Habitats Regulations Assessment (HRA)/Appropriate Assessment (AA) for our leasing plans where they are likely to have a significant effect, either alone or in combination with other plans or projects, on designated nature conservation protected sites, that form the UK National Network. Therefore, this would apply to Special Areas of Conservation (SACs), Special Protection Areas (SPAs) and RAMSAR sites. The HRA process is used to make sure that relevant plans (or projects) which could impact a protected site are assessed. A plan or project can only go ahead if certain strict conditions are met to avoid (or in exceptional circumstances, compensate for), adverse impacts on the special interest features of these protected sites.

In addition to our plan-level considerations, we provide licences for seaweed restoration work in Wales with 10 sites now licenced. We have also provided licences for aquaculture projects in Ramsey Sound to Cârr-y-Môr mentioned above.

Find out more

thecrownestate.co.uk/annual-report-2022

Social media

Twitter: **@TheCrownEstate**
LinkedIn: **The Crown Estate**
Instagram: **@thecrownestate**

www.thecrownestate.co.uk