

Wales review 2022/23



Introduction

Croeso / Welcome



“Guided by our purpose of creating lasting and shared prosperity, our strategy aims to address some of the greatest challenges of our time.”

In August 2022 I became The Crown Estate’s first Director for Wales, a new position in an organisation with a heritage going back to 1760.

What I have discovered in my time here is a strategy and a purpose that feel relevant and meaningful for making an impact for Wales in the 21st century.

Our Annual report provides an in-depth analysis of our business performance, but in the Wales review I hope to give you an overview of what The Crown Estate seeks to achieve in Wales and will be of interest to Welsh policymakers.

I have learned about The Crown Estate’s unique status as an independent company that occupies a space between the public and private sectors. It’s a trusted delivery partner that takes a holistic view of value; creating financial, environmental and social value for the nation for now and for the long term.

It’s a company with a purpose to ‘create lasting and shared prosperity for the nation’.

Those of us who have worked in Wales for many years know that we have not been afraid to talk about some of the most challenging issues of our time. How do we respond to climate change? What is our contribution to reversing the nature crisis? The Wellbeing of Future Generations has given us a framework and language that enables us to think for the long term, consider our impact on people, communities and the environment – and understand the fine balance of living sustainably. The Crown Estate’s strategy, in many ways, mirrors this ambition and is on the same journey.

I chose to work here because of what I believed The Crown Estate could deliver for Wales; how its assets can align to the priorities of the Welsh government around shared aspirations. Our footprint in Wales is significant. We sit alongside

OUR UNIQUE STRENGTHS



Our broad ownership

We have a diverse footprint across the country.



Trusted brand and reputation

We are known for our quality, longevity and integrity.



Independence and simplicity of role

We have developed a clear strategy and set of targets to deliver our statutory mandate.



Power to convene and catalyse

We bring together public and private partners, stakeholders and customers to tackle challenges.



Long-term view

We act in the public interest and invest for the long term.

other organisations and institutions that manage land, coastal assets and – uniquely for us – the seabed. We also know that the way we manage assets can have a positive impact for local communities and economies, like those around Milford Haven, and on the environment, like the peatland restoration opportunities in and around Hiraethog.

We are a key partner in Wales’s active and dynamic renewable energy community. I returned to Pembrokeshire College this year, where I was once a student, as part of two initiatives to highlight the breadth of career opportunities in the renewable energy sector. As part of Destinations Renewable, I gave a talk about the role of leasing and engaging communities in decision-making and I was also one of the judges for the Renewable Energy Competition. Here I was blown away by the enthusiasm, dedication and creative thinking of students in tackling the fictional – yet realistic – challenge of how an island could reduce its reliance on ageing diesel generators.

This year we have also brought our skills and experience to conference platforms including Marine Energy Wales in Swansea last spring and the Future Energy Wales in Newport in the autumn. We have organised and attended roundtables, Cross-Party Senedd Groups, visits and trade missions focused on bringing together the key people and institutions who together could realise the opportunities in the Celtic Sea and around the coast of Wales to harness the green energy transition. This includes joining a Welsh trade delegation on a fact-finding mission to Marseille this year, where we explored the potential of floating wind in the revitalisation of port infrastructure and creating local supply chain opportunities.

We recognise the complex multi-jurisdictional nature of the political landscape in Wales. We collaborate with the Welsh and UK governments in the delivery of their respective responsibilities, including regular meetings with Welsh ministers and the Secretary of State for Wales. We arranged a visit to Pembrokeshire in February for the then Exchequer Secretary to the Treasury James Cartledge MP to see the potential of Milford Haven and its role in the context of a possible offshore wind leasing round.

Guided by our purpose of creating lasting and shared prosperity for the nation, our strategy aims to address some of the greatest challenges of our time. Our unique combination of strengths means today we are playing our role in creating an energy-secure and decarbonised future, enabling economic growth and productivity, and enabling biodiversity and nature recovery.

Our broad and diverse portfolio fuels our strategy. Its scale means that we can think about the big challenges that the country faces, but with assets that are embedded in communities so we can align delivery with the needs of local people. We also generate learning across our businesses, develop new solutions and can scale them. This has included integrating renewable energy solutions, designing district heating systems, and creating new jobs and skills opportunities – each part of our portfolio has developed critical skills and experience that has benefited other parts of our business.

Everything we are working towards can only be achieved through genuine partnerships. One of our key strengths is our ability to bring people together to make a positive impact – and we’re committed to doing that for the benefit of Wales whenever we’re best placed to do so. By harnessing the power of diverse voices and perspectives, we can galvanise groups around challenges to drive collective change and realise opportunities. Our partnership with the Welsh government, Natural Resources Wales and wider stakeholder groups will help unlock the immense value of nature and natural resources for the benefit of Wales – for now and for future generations.

Rebecca Williams
Cyfarwyddwr Cymru / Director Wales
The Crown Estate

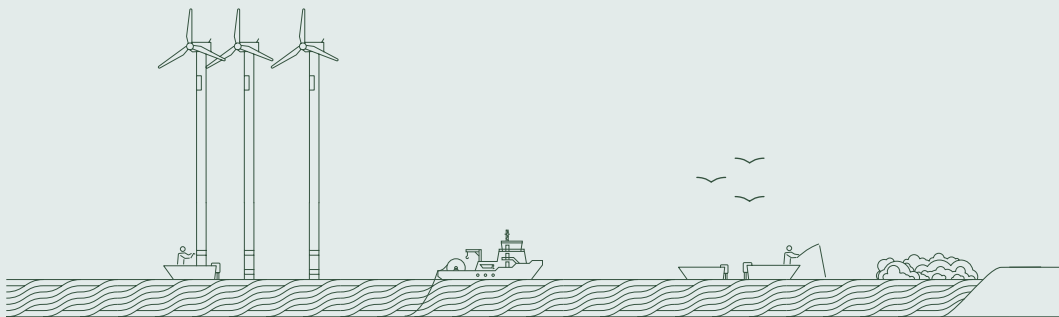
What we do

The Crown Estate owns and manages land on behalf of the nation, creating financial, environmental and social value, both for now and for the long term.

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

Our focus is on delivering three strategic objectives – climate resilience and energy security, thriving communities, and nature recovery. Through these we aim to address national needs where we are best placed to draw on our unique combination of strengths and support economic growth and equality of outcomes.

Set up by an Act of Parliament and occupying a space between the public and private sectors, we act independently and commercially to grow the value of the portfolio for future generations.

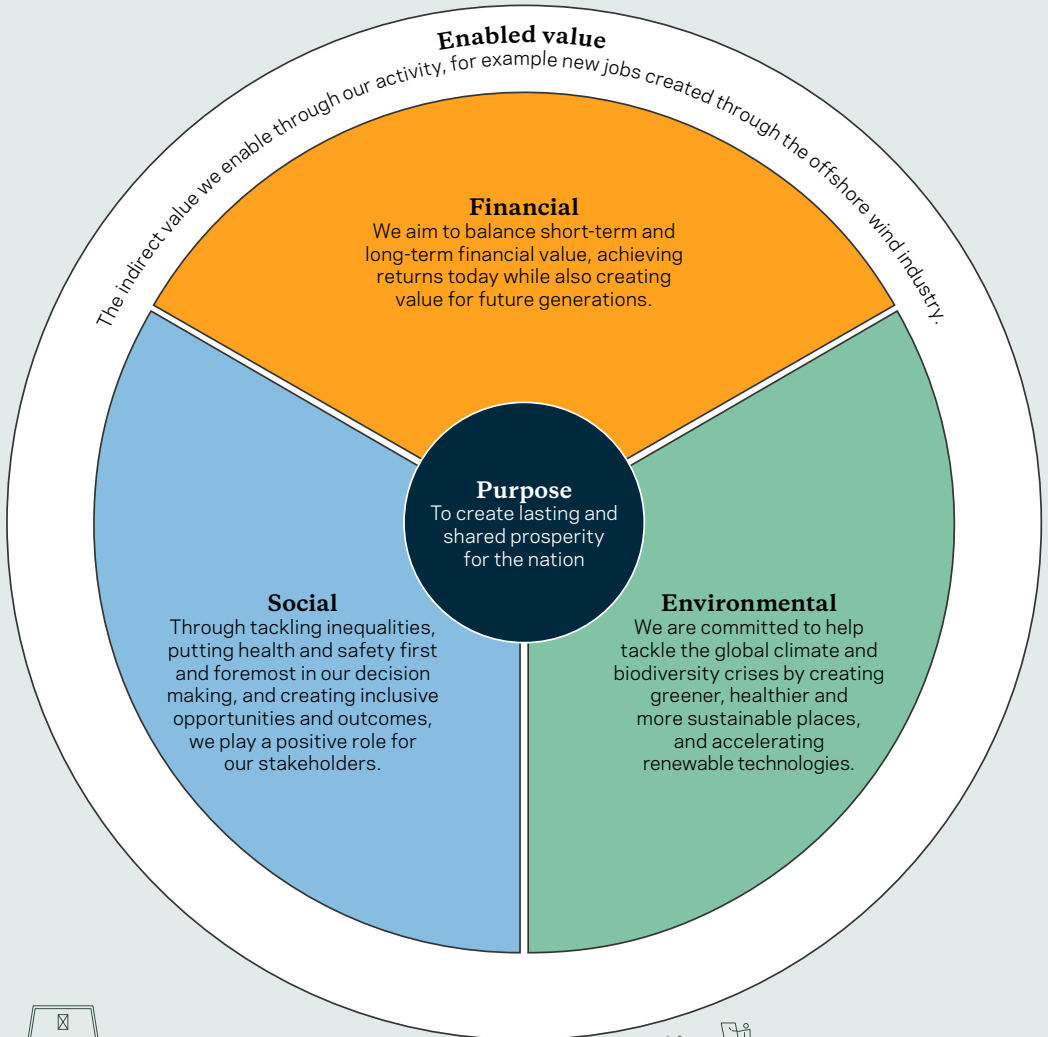


How we measure value

Creating lasting value for future generations

Our Value Creation Framework

Our Value Creation Framework seeks to set out and measure the direct financial, environmental and social value we create, alongside the wider value we can enable, in pursuit of our purpose.



Our strategy

DRIVEN BY A CLEAR PURPOSE

To create lasting and shared prosperity for the nation.

DRAWING ON OUR UNIQUE STRENGTHS AND CULTURE

Our unique status and position are a source of strength – there are few trusted public-private businesses in the UK that are investing for the long term and in the national interest.

Our values are the guiding principles that define our culture in order to bring our purpose to life.



Caring

We are committed to looking after the world around us and each other.



Together

We work together and with others to deliver on our purpose.



Creative

We believe that creativity enables us to unlock new ideas and solve problems.



Impactful

We believe that positive impact and financial performance must go hand in hand.

ADDRESSING NATIONAL NEEDS

Energy security and net zero

Economic growth and productivity

Growing pressure on urban centres

Biodiversity loss and nature recovery

USING OUR BUSINESS UNITS TO DELIVER



Marine



London



Regional



Windsor & Rural

OUR STRATEGIC OBJECTIVES

Striving for equality of outcomes

Be a leader in supporting the UK towards a net zero carbon and energy-secure future.

Help create thriving communities and renew urban centres in London and across the UK.

Take a leading role in stewarding the UK's natural environment and biodiversity.

CREATING VALUE FOR THE NATION

Our strategy will help deliver an ambitious set of long-term national outcomes, which can support the national policy agenda, drive economic growth, and support improved productivity through all our activities to maximise returns to the Treasury.



Financial



Environmental



Social



Enabled value

Our strategy continued Supporting a decarbonised and energy-secure future

Our Marine business is driving the UK's position as a world leader in offshore wind development.

Our activities are a key contributor to the UK's fight against climate change, adding to the country's mix of secure and sustainable renewable energy sources. Working in Partnership with colleagues in the Welsh government and Natural Resources Wales, we are supporting new technologies in an increasingly busy marine space. Crucially, we are doing this in a way that is sensitive to nature and that rejuvenates local economies and communities.

Our efforts to support the decarbonisation of the UK's economy through our renewable energy activities have come into sharper focus as a result of recent geopolitical issues. We will continue to accelerate change across our portfolio and in the industries where we operate, so that we can be a leader in supporting an energy-secure future.

We continue to work closely with our stakeholders. This includes playing a collaborative role on advisory and steering groups, including the Wales Coasts and Seas Partnership (CaSP Cymru), and by bringing our skills and experience to conference platforms such as this year's Marine Energy Wales and the Future Energy Wales conferences.

Below. Olivia Thomas, our Head of Marine Planning, speaking at the 2023 Marine Energy Wales conference



Our strategy continued

Round 4: Green electricity for seven million homes

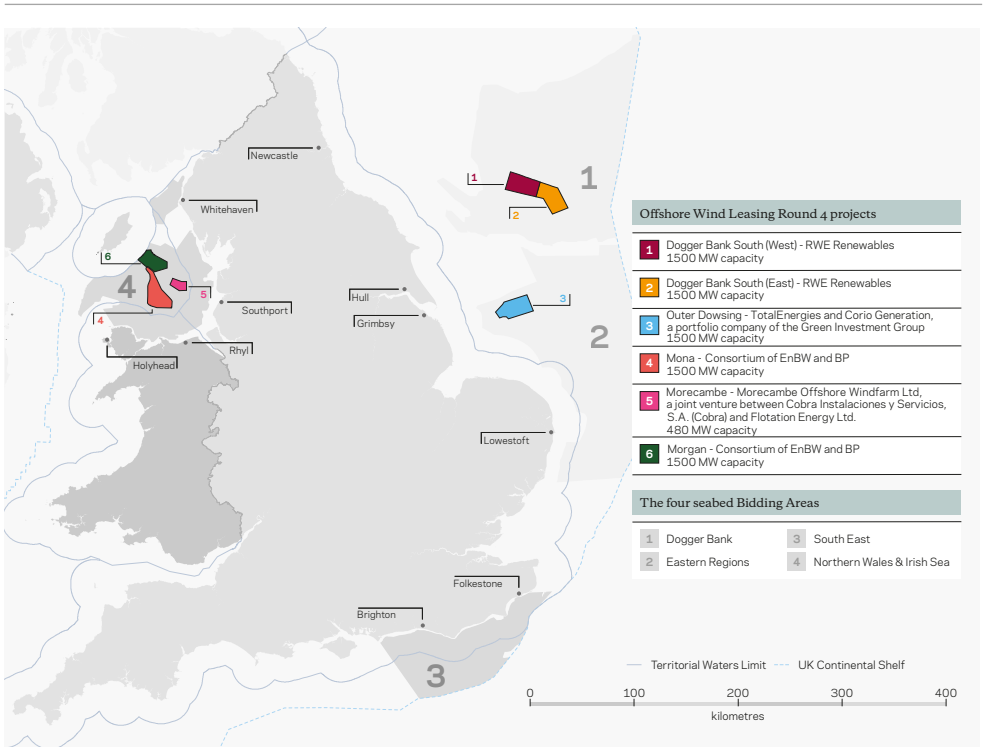
In January 2023, we signed Agreements for Lease for all six of the projects that comprise Offshore Wind Leasing Round 4. This has the potential to generate up to 8GW of renewable electricity, which is enough to power more than seven million homes. This includes three new offshore wind farms in the Northern Wales and Irish Sea – off the North Wales, Cumbria and Lancashire coasts – with a total capacity of around 3.5GW.

Increasing offshore wind capacity

Operational capacity across our seabed holdings increased in the year to 11.8GW from 10.8GW in 2021/22. This is the equivalent to delivering the annual electricity needs for almost 11 million homes and 14% of the UK's total electricity requirements.

The current operational capacity in Wales is around 0.73GW from the wind farms Gwynt y Môr, Rhyll Flats and North Hoyle. North Hoyle is the longest operating UK Commercial Offshore Wind site and will celebrate its 20th anniversary this year since its commissioning. Awel Y Môr, an expected 350MW extension project adjacent to Gwynt y Môr, is currently undergoing examination by the Planning Inspectorate.

We have continued working closely with the Welsh government and other stakeholders to determine a potential leasing round for floating offshore wind in the Celtic Sea, and for awarding seabed rights to develop carbon storage opportunities.





Supporting renewable energy innovation in North Wales

We have invested £1.2 million in Welsh tidal stream energy through the Morlais demonstration zone and its Marine Characterisation Research Programme (MCRP). Led by non-profit organisation Menter Môn, the Morlais site covers 35km² of seabed off the coast of Holy Island, Anglesey.

The project aims to bring investment to the area to develop early-scale tidal energy projects at the test and demonstration stage, and into small-scale arrays. At its full potential, Morlais is set to deliver up to 240MW of new clean energy extracted from the tides, and help lay the foundations for the growth of the tidal energy sector in the UK. It's also a key opportunity to address some of the sector's significant environmental evidence gaps.

Our investment supports the collection of data and delivery of the MCRP and the first phase

of Morlais's environmental monitoring and mitigation package (EMMP). The EMMP will enable nature-sensitive development on the seabed and improved understanding of the marine environment as tidal energy scales up in the area. Bangor University, Swansea University and environmental consultants SMRU Consulting, among others, form part of the expert group that will help to deliver the MCRP and EMMP, strengthening cross-disciplinary links between the research, energy and innovation sectors.

Data collected from the MCRP will be shared on our Marine Data Exchange, a free and publicly available resource that contains over 260 terabytes of data. By making the data available, we hope that it will benefit Morlais and the sector as it grows in Welsh waters, as well as guiding the broader tidal stream industry to help reduce and mitigate its potential impacts on the environment.

The Morlais project also focuses on how it can create employment opportunities, as well as leverage its supply chain and links with local businesses to benefit the regional economy.

Alongside others, including Natural Resources Wales, the Welsh government, the Isle of Anglesey County Council, we are working closely with Menter Môn to oversee Morlais' development and delivery.

“This project has huge potential to help unlock new forms of clean power for Wales, paving the way for innovative energy technologies, greater resilience of supply, and new jobs, skills and inward investment.”

Nicola Clay
Head of New Ventures

Our strategy continued

Stewarding the natural environment

Tackling the nature and climate crises are interconnected and needs joined-up action to protect our natural environment and deliver long-term benefits. Maintaining healthy habitats and ecosystems is instrumental for sustaining nature's inherent value, mitigating the effects of climate change, and providing ecosystem services that support livelihoods and thriving economies.

Stewarding the natural environment and nature is at the heart of our purpose and strategy. Our distinct footprint – including the seabed, urban and rural assets – provides a unique opportunity to promote nature recovery, support new land-use innovations and deliver nature-based and carbon-sequestration solutions.

Our focus is on delivering the marine infrastructure in a way that protects nature, minimises environmental risk, supports coastal communities and drives sustainable economic growth.

Over the last year, we have worked on a range of projects and partnerships. This includes our Offshore Wind Evidence and Change Programme (OWEC), where we have doubled our investment to £50 million. With the Welsh government and Natural Resources Wales on its steering group, OWEC brings together a range of expert partners to generate better insights and understanding that can support the long-term future of the marine environment. You can find out more and view our latest report at thecrownestate.co.uk/owec

We have also continued to work with our partners as part of the Wales Marine Protected Areas Network Management Steering Group which ensures a joined-up approach and knowledge sharing across the marine space.

We are working with a range of groups to enable and accelerate habitat creation and restoration. This includes developing new licensing and leasing products designed to accelerate early-stage restoration trials and data collection to help build knowledge. In North Wales we have worked with Project Seagrass to test the Small Habitats Licence and enable seagrass planting at various sites on the Llyn Peninsula. We are also working to improve the habitat-potential mapping for Wales (focused initially on seagrass, saltmarsh and native oyster) that will feed into Natural Resources Wales's work on identifying priority areas for restoration effort.

We are doing more to understand the potential of the common land in our care to support peatland restoration, including in and around Hiraethog. We have undertaken some analysis of current conditions by talking with local people, and we're exploring how we can work in collaboration with local landowners and stakeholders to take appropriate action.



Right. Hiraethog peatland



Wales's first regenerative seaweed and shellfish farm

Câr-y-Môr, a community benefit society, is paving the way for sustainable and environmentally friendly commercial aquaculture, while being at the heart of its local community.

We are seeing increasing interest in opportunities for seaweed farming and regenerative aquaculture more generally around Wales, demonstrating the growing awareness in the potential of seaweed-based products in food, packaging and fertiliser.

Granted a licence for a three-hectare site in Ramsey Sound, North Pembrokeshire, Câr-y-Môr aims to create a regenerative ocean farming model – using no fresh water, land, feed or fertilisers – that other farms can replicate in the future. This approach restores ocean ecosystems as well as storing carbon dioxide, providing a viable solution to climate change and food shortages.

As the first community-owned regenerative ocean farm in Wales, it supports wellbeing through sustainable jobs and learning opportunities.

Commercially, Câr-y-Môr sells its produce through its shop and online store, with products ranging from seaweed granola to fresh mussels, from dried sea spaghetti (dried foraged seaweed) to Pembrokeshire lobster. The farm also supplies seaweed wholesale for 2022 Earthshot prize winners Notpla, a sustainability start-up which uses seaweed to create a viable alternative to plastic packaging.

“Câr-y-Môr shows how we can generate all kinds of value from precious natural resources; it’s a business that’s at the heart of its local community with the sustainability of the ocean central to its mission.”

Caroline Price
Senior Development Manager
Habitat Creation

2022/23 Supplementary reports

Annual Report and Accounts
Wales review (in Welsh)
Northern Ireland review
Environmental and Social data supplement

 Our Annual Report and Accounts 2022/23 and supplementary reports can be downloaded at:
thecrownestate.co.uk/annual-report-2023

**THE CROWN
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Photography credits

Cover

Gwynt y Môr wind farm,
Ben Barden Photography Ltd

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Marine Energy Wales Conference 2023
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Marinus buoy deployed at the Morlais Demonstration Zone
Courtesy of Menter Môn, mentermon.com

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Hiraethog peatland, courtesy of Rebecca Williams

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Image taken with support of Câr-y-Môr,
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