



THE CROWN
 **ESTATE**

Annual Report summary 2023/24

What we do

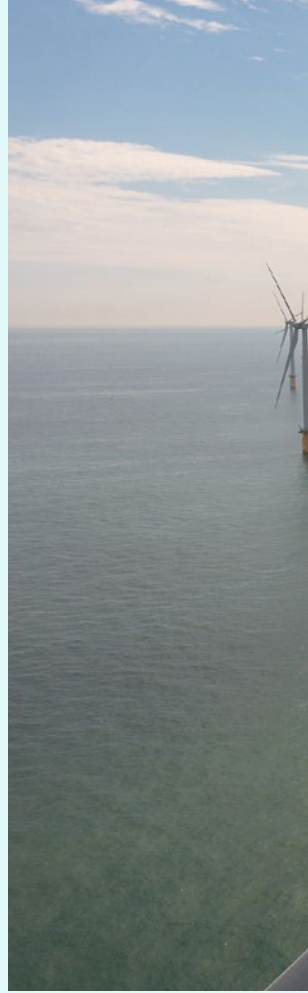
We work across communities, cities, countryside, the coast and the seabed, with the responsibility - and opportunity - to play our part for the benefit of the country, its finances and its future.

At the heart of our business lies a set of core duties to grow both the value of the portfolio into perpetuity and the income we return to the Treasury. Established through an Act of Parliament, we operate independently and commercially, occupying a space between the public and private sectors. Today, we express this through our purpose: to create lasting and shared prosperity for the nation.

Across our £14 billion property portfolio, we are acting in the national interest for today and for future generations. Driven by our purpose, our strategy focuses on long-term challenges where we are best placed to make a difference. We aim to:

- responsibly generate value and financial returns for the country;
- be a leader in supporting the UK towards a net zero and energy-secure future;
- take a leading role in stewarding the natural environment and biodiversity; and
- help create inclusive communities, supporting equality, economic growth and productivity.

Over the past ten years we have delivered more than £4 billion for the benefit of the public finances.





We're working to make a positive impact for net zero, nature and communities while creating financial value for the UK.



“Addressing the complex, interlinked challenges facing the world today will take collective action and through our significant and diverse portfolio we strive to make a contribution.”



£1.1bn
generated for public
spending

£4bn
returned to nation's finances
over the past decade



36
wind farms across our
holdings, generating enough
energy to power about

11m
homes

The Crown Estate's purpose to create lasting and shared prosperity for the nation informs everything we do, and helps us to navigate a wider context of change that encompasses new technologies such as AI as well as the increasing pressures on nature, climate and the cost of living.

Our position between the private and public sectors allows us to take a long-term view of these complex, interlinked challenges. Our strategy looks at the most pressing national needs and where we can make a difference, with focus areas including generating financial returns for the country; contributing to the UK's net zero carbon and energy security goals; nature recovery and biodiversity; and supporting thriving, inclusive communities and economic growth.

This report shows how we have put our strategy into action over the past year. While some areas of our work are more mature than others, we are making real progress, working in partnership with others, and learning from experience, data, evidence and feedback.

Responsibly generating financial returns

Our financial performance continues to be strong, driven by the resilience of our business across all sectors, and the option fees for six offshore wind projects under our Offshore Wind Leasing Round 4 leasing programme (Round 4). This has led to a net revenue profit in the year of £1.1 billion, meaning we have returned more than £4 billion for the nation's finances over the past decade.

We are mindful, though, that the financial highlights set out on page 8 reflect a particular moment in time. Both the revenue and value attributed to Round 4 are short term in nature and over the coming years The Crown Estate's revenue and valuation will normalise.

Net zero carbon and energy security

Launching Offshore Wind Leasing Round 5 in January was a significant milestone in supporting the UK's net zero carbon and energy security goals. There are currently more than 36 wind farms across our holdings, generating enough energy to power about 11 million homes – making us the second-largest offshore wind market in the world. If the tender is successful, putting floating offshore wind in the Celtic Sea will mean up to four million more homes can be powered by clean, renewable energy.

These efforts are part of a broader picture that includes developing other renewable energy sources such as tidal power; carbon capture and storage; and cutting carbon emissions. Reducing energy consumption across our real estate portfolio by 15% (against our 2021/22 baseline), exceeding our target of 10%, is a huge achievement from the year, and we will be setting new, stretching targets to drive further improvement.

Nature recovery and biodiversity

Our diverse portfolio gives us some invaluable opportunities to support nature. In time, our ambition is for the Windsor Estate to be recognised as a centre of excellence for environmental and ecological best practice. Our wider rural strategy aims to take a lead in driving a sustainable transformation of land use. As part of this work, The Crown Estate Environment Fund has helped our farmers to create c. 200km of new hedgerows and c. 400 acres of woodland in its first two years, double our initial target. We have now increased the fund to £10 million to support further 'no regrets' nature recovery work.

Nature recovery is a complex issue and we are also supporting biodiversity in towns and cities, providing connectivity for habitats and allowing people to engage with nature. Meanwhile, we have several projects to support the seabed and marine wildlife, including the Whole of Seabed Programme, a pioneering project that seeks to co-ordinate marine activities up to 2050.

Inclusive communities and economic growth

It is really important to us that our activities support local economies and communities around the country. One way we hope to do this is by working to capture the benefits of offshore wind development onshore over the long term. This year, we launched our Supply Chain Accelerator with an initial £10 million funding round to help communities around these developments to benefit from supply chain opportunities, as well as future jobs and skills (see page 15).

Our Regional strategy focuses on places where we can support urban regeneration, housing and the innovation economy. These plans include high-quality, mixed-use developments in Cambridge and Oxford that are being designed to meet urgent demand for workspace and help to support the UK on the global tech start-up stage.

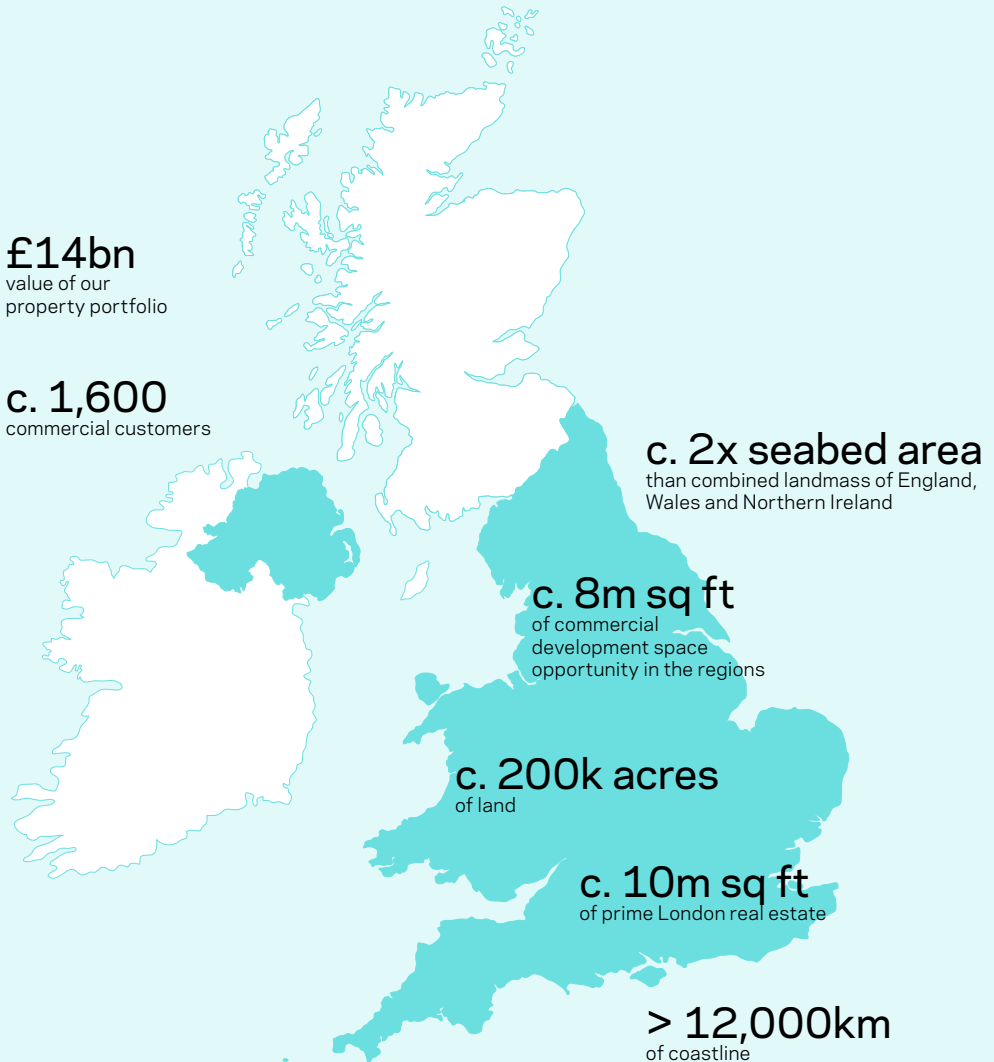
We are now investing across our whole portfolio to sow the seeds for future financial performance. We therefore welcomed the government's commitment in the King's Speech in July 2024 to bring forward legislation to modernise our investment powers and give us the ability to borrow, which we currently do not have. This will give us more flexibility and allow us to have an even greater impact in fulfilling our core remit of creating value for the nation.

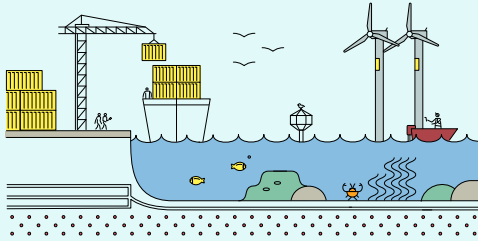
The interconnections between climate, nature and people mean that, at times, there are difficult decisions for us to weigh up. In a world in which change has become a constant, it will not be possible to meet all the competing demands perfectly; but we are committed to listening and learning so that we can deliver better results and greater impact over time.

Dan Labbad
Chief Executive

Our business at a glance

We are a company for the country with land, property and seabed across England, Wales and Northern Ireland.





Marine

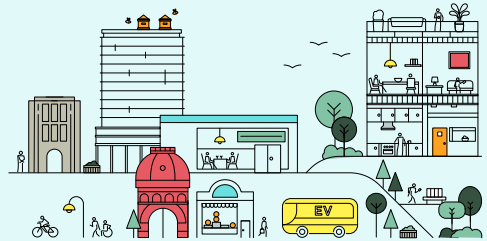
Unlocking the potential of our seabed, sea and coastline to support the nation's transition to a resilient, sustainable and decarbonised future.

Revenue

£1,201.1m
(2022/23: £377.9m)

Portfolio value

£4.4bn
(2022/23: £5.7bn)



London

Enhancing London's global city status by fostering a greener, more vibrant and inclusive destination for millions of visitors and businesses.

Revenue*

£229.7m
(2022/23: £222.6m)

Portfolio value

£6.9bn
(2022/23: £7.2bn)



Regional

Creating opportunities to support regeneration, housing and innovation, benefiting local economies and communities across the country.

Revenue*

£104.8m
(2022/23: £105.5m)

Portfolio value

£1.4bn
(2022/23: £1.5bn)



Windsor & Rural

Supporting the sustainable transformation of land use through diversified, regenerative agriculture and environmental best practice.

Revenue

£40.1m
(2022/23: £36.6m)

Portfolio value

£1.4bn
(2022/23: £1.4bn)

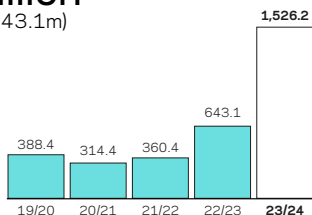
All financial figures are prepared on a proportionally consolidated basis. Balance sheet-related items are as at 31 March of each year.

* Excluding service charge income of £47.6m (2022/23: £41.6m).

Our year in numbers

Performance highlights for the year ended 31 March 2024

Underlying profit
£1.5 billion
(2022/23: £643.1m)

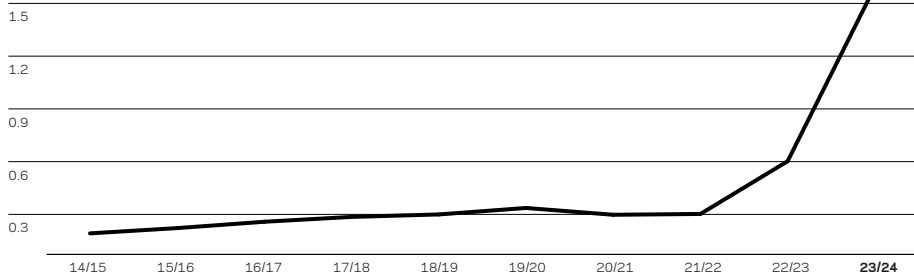


Net revenue profit
£1.1 billion
(2022/23: £442.6m)

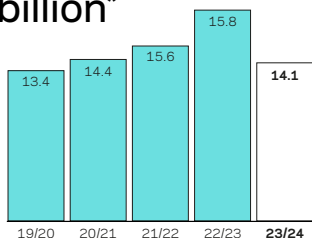
Returns to Treasury over the last decade
£4.1 billion

We return our net revenue profit to the Treasury, generating more than £4 billion over the past ten years for the benefit of the nation's finances.

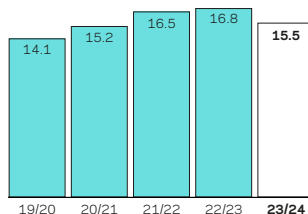
Revenue
£1.6 billion* (excluding service charge income)



Property portfolio value
£14.1 billion*



Net assets
£15.5 billion*



* As we projected in last year's report drawing Round 4 option fees through revenue this year has resulted in a significant increase in revenue and a corresponding decline in the capital valuation applied to Round 4. In 2022/23 the option fees for 2023/24 were reflected in the Round 4 capital value included in the property portfolio value and net assets.

All financial figures are prepared on a proportionally consolidated basis. Balance sheet-related items are as at 31 March of each year.

Our strategy

Through our strategy we seek to make a difference in addressing national needs, where we believe we can have an impact.

Driven by a purpose:
to create lasting and share prosperity for the nation

Drawing on our unique strengths and values



Addressing national needs

Climate change and energy needs

Nature loss

Growing pressure on urban centres

Economic challenges

Our strategic objectives

Net zero and energy security

Nature recovery and biodiversity

Inclusive communities and economic growth

Generating financial returns



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



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



Help create inclusive communities and support equality, economic growth and productivity



Responsibly generate value and financial returns for the country

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

We aim to balance short-term and long-term financial value, achieving returns today and for future generations

Environmental

Helping to tackle the global climate and biodiversity crises by creating greener, healthier places and accelerating renewable technologies

Social

We play a positive role by tackling inequalities, prioritising health and safety, and creating inclusive opportunities

Enabled

The indirect value we enable through our activity, for example jobs created through the offshore wind industry

Net zero carbon and energy security

We're working hard to help the UK become a net zero carbon nation – and secure an energy supply for future generations.

As custodians of the seabed and a significant portfolio of land, we are uniquely placed to support the transition through offshore wind, carbon capture and storage, and nature-based solutions. We see ourselves as having a dual role: taking direct action to decarbonise our own assets and operations, and contributing to the UK's climate and energy security goals.

We have been at the forefront of UK offshore wind for over two decades, helping to drive the country's current position as a world leader in the sector while supporting the development of other technologies such as carbon capture, wave and tidal energy, and hydrogen, and working to protect nature.

Offshore wind is already delivering significant financial value for the nation, as well as supporting the government to meet its commitment to reach net zero by 2050, and creating the opportunity for tens of thousands of new jobs.

We also take seriously our absolute responsibility to cut carbon from our own assets and operations, basing our actions on data and evidence. A key area of focus is reducing energy consumption in our buildings, through refurbishment projects like New Zealand House, and with two pioneering net zero housing pilots in the North West and South East (outlined in our main annual report and accounts).

Having missed our energy performance target in the previous year, we redoubled our efforts this year and managed to reduce our energy consumption (net of electric vehicle charging) by 15% across our London, Windsor and Regional real estate, exceeding our 10% target against a 2021/22 baseline.

Where possible, we are also working with others to achieve collective impact and drive forward best practice. For example, we are engaging with suppliers to embed sustainable practices; working with farmers to make food production more sustainable; and investigating the capacity of our assets to sequester carbon.



Floating offshore wind

In February 2024, we launched our Offshore Wind Leasing Round 5 (Round 5) tender process for innovative new projects in the Celtic Sea, bringing floating wind farms to the coast of Wales and the South West of England.

More than 260 turbines are envisioned across the three sites, each up to 300 metres tall (about the height of the UK's tallest building, The Shard), and sitting on an anchored platform the size of a football pitch.

Investing in tidal power

Building energy security will require a number of clean energy sources, and we are now investing in the development of tidal energy through a demonstration project off the coast of Anglesey, which we first leased in 2014.

Run by the social enterprise Menter Môn, Morlais manages a 35 sq km area of the seabed off the coast of Ynys Môn (Anglesey). With a maximum capacity of 240MW, Morlais is the largest consented project of its kind in the world. Unusually, it is technology agnostic, allowing developers to test a range of tidal stream devices.

Building on an initial £1.2 million investment, The Crown Estate will spend £1.4 million over the next two years (to be match-funded by partners) to further develop the technology and approach. If this is successful, it will have applications for the whole tidal stream industry.



“We are delighted to have The Crown Estate’s continued support for Morlais, helping us to unlock consenting challenges and to realise the commercialisation of tidal stream technologies.”

Gerallt Llewelyn Jones
Director, Menter Môn

These pioneering projects have the potential to make offshore wind even more efficient, putting turbines into deeper waters, where wind patterns are stronger and more reliable, to generate 4.5GW. They further stand to deliver a significant jobs and skills boost, particularly in Wales, including through our Supply Chain Accelerator (see page 13).

A retro-fit for the future

Completed in 1963, New Zealand House was the first major office tower in central London, the first to be fully air conditioned and the first to be fully glazed on all sides. However, this beacon of modernity is now in need of refurbishment, which we are now undertaking in line with our net zero carbon goals.

These retrofit works will retain 90% of the structure and preserve 1,600 sq m of heritage finishes, respecting the building’s listed status. Over 1,300 sq m of marble will be reused in the refurbished development and over 7,000 items will be reused in other schemes. The glazing, an integral feature of the original design, will be replaced with a high-tech alternative that improves thermal performance, and we will install digital systems to monitor environmental performance accurately.

Through these and other measures, we aim to achieve a BREEAM Outstanding rating and to be one of the first retrofit projects to target a NABERS 5* accreditation.



Nature recovery & biodiversity

The UK's natural assets are in a depleted state and need to be restored and enhanced. This work is important not just for nature itself but for the communities that rely on it.

The Crown Estate aims to play a role in improving the resilience of natural systems not just within our own assets, from the Windsor Estate to the seabed, but across the wider country.

To support nature we must first understand it. Conserving ecosystems is a complex process and our science-based approach is rooted in data and evidence, through initiatives such as the Whole of Seabed Programme (see case study).

Given the scale of the challenge, collaboration will be essential. Nature recovery and conservation is both a local endeavour and a national one, and we are working with partners at both levels: for example by sharing knowledge and resources with conservation organisations, and by working with farmers to find ways to co-invest in nature recovery.



“The UK is one of the most nature-depleted countries in the world. The Crown Estate has been a critical partner in our seaweed programme, which is mapping the potential future benefits of seaweed farming for nature, people and climate.”

Kate Norgrove

Executive Director of Conservation, Advocacy and Policy, WWF

Restoring the UK's ecosystems will take extensive investment, so we are keen to explore the role of high-integrity private finance in bridging the funding gap – including by investigating the potential for high-integrity marine natural capital markets. We are funding a number of nature recovery and biodiversity research and restoration projects, including through the Offshore Wind Evidence and Change (OWEC) Programme, as well as investing in habitats on our own land, through initiatives such as The Crown Estate Environment Fund (see case study on page 11).

This year we have been developing our strategy, and we are now working towards a set of company-wide nature commitments that define the role we will play and set the path for us to deliver our ambitions.

The Whole of Seabed programme

The seabed will be critical to addressing the climate crisis and nature recovery. Through our role managing this national asset, we aim to create the most sustainable marine economy and environment in the world.

Recognising the growing demands on the seabed, from offshore wind to fishing, we have now established a Whole of Seabed Programme. Through this pioneering project we are building on the data and evidence we have built up over the past 20 years by engaging with government, environmental NGOs, industry and marine experts to co-ordinate future activities up to 2050. Ultimately, it will help to optimise the use of the marine space for the benefit of the environment and communities.



A new model for rural estates

Our new rural strategy aims to achieve a better balance between sustainable food production and nature recovery, and we have spent a considerable amount of time speaking to farmers to understand how we can support the transition to a more integrated model.

The Crown Estate Environment Fund was created as part of these efforts, with an initial sum of £5 million to support farmers with 'no regrets' nature recovery work. In the two years since the programme launched, they have planted around 200km of new hedgerows – double our original target – and about 400km of new woodland. In response to the enthusiasm of our tenant farmers we have increased the fund to £10 million.

We have also been working hard on our Environmental Farm Business Tenancy agreements. This includes working with farmers on the Devizes Estate – part of the Pewsey Downs Farmers Group – to develop an environmental plan, which will be an integral part of these agreements.

We learned a huge amount from tenants such as the Rider family, whose organic dairy farm uses an unusual grazing method to support herb-rich grass, and who have planted hedgerows and fruit trees to add further biodiversity. We will seek to replicate these benefits across our 28 rural estates in the coming years.

A greener future for Regent Street

Regent Street was first built as a corridor for the Prince Regent to travel from Carlton House at St James's Park to Regent's Park. Two hundred years later, we are collaborating with Westminster City Council (WCC) to create broader value along the street.

The park-to-park project will create a permanent replacement for the temporary public realm scheme we developed together during the Covid-19 pandemic, which comprises more than 5,000 sq m of additional pedestrian space, 330 planters, 60 trees, accessible seating and cycle lanes.

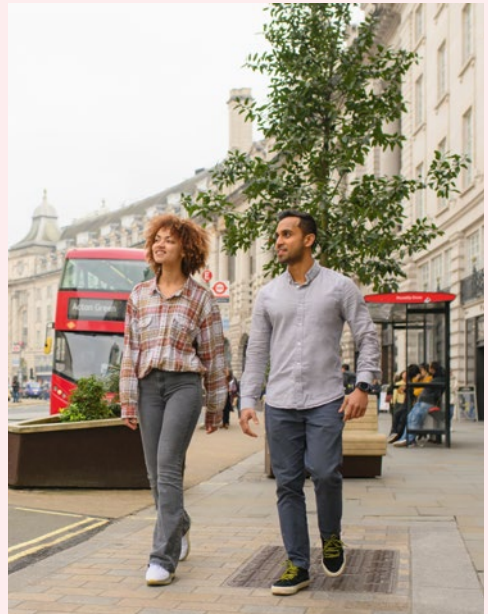
Following extensive public engagement, we published the Regent Street Public Realm Vision Report in February 2024; and WCC agreed to expand the scope of the project to include Haymarket and Piccadilly Circus. This year we will launch an international design competition to source the lead urban designer and commence design work, to be informed by further public engagement.

Restoring nature's water filters

Oysters play a vital role in marine health, cleaning water by removing pollution, nitrates and particulates, while their reefs provide vital habitats for marine life. Despite their crucial role, native oyster populations have declined by 95% due to coastal development, water pollution, historical overfishing and trawling.

To help restore these natural water filters, The Crown Estate is funding two research projects exploring where native oysters, and the type of seabed they need to grow, still exist. The aim is to produce and share evidence to support oyster restoration in the Medway and Swale Estuary in Kent, and more widely across the UK.

We've also used our position as manager of the seabed to support the innovative Wild Oysters project. Led by the Zoological Society of London, Blue Marine Foundation and British Marine, the project aims to restore our seas to health through the reintroduction of the native oyster. By providing the project with seabed licences in Wales and Tyne and Wear, we've freed up space to deploy cultch (the material upon which oysters grow), an integral part of the reintroduction process.



Inclusive communities and economic growth

As a company for the country, we strive to use our resources to benefit communities and support the wider economy.

The UK is facing significant social and economic challenges. Income inequality is stark, the cost of living is putting pressure on households and official figures show child poverty at an all-time high.

The Crown Estate has an opportunity to be part of the solution to these complex, interconnected issues. We want to ensure that our work to support UK net zero carbon and energy security goals and nature recovery and generate financial value for the public purse will also deliver social impact at a local level.

As we grow this part of our strategy, we are guided by a set of social impact principles, which include addressing national needs, focusing on place, listening to and involving communities, and collaborating for collective action.



“For Arts ARKADE, being in the West End is a way to break down barriers by putting street arts and culture into an iconic cultural space. It’s about changing how communities look at themselves.”

Tundé Olatúnji
CEO, Arts ARKADE

Guided by this framework, we have continued to identify places where we can create benefits that are greater than the sum of their parts. This means developing supply chains, infrastructure and housing in coastal areas to support our leadership in offshore wind, as well as creating jobs and building skills to support the decarbonisation of heritage buildings. It means working with family farmers to safeguard food production and the long-term future of their businesses while protecting nature. And it means focusing on developments with the right blend of uses in regional locations, to support regeneration and help communities to thrive.

Listening to people and involving them as genuine partners in our decision-making is an important next step. Whether they are farmers, members of our Youth Panel (see case study) or shoppers attending one of our retail parks, hearing directly from them helps us understand where and how we can have a positive impact.

Supporting UK science and innovation

Science, technology and innovation are vital to UK economic growth. Our ambition is to invest up to £1.5 billion in the sectors nationally over the next 15 years, starting with multi-stakeholder projects in Oxford and Cambridge.

This year we have been working with our customers, local community groups and the city council to explore a regeneration project at Cambridge Business Park. It includes plans for a new urban quarter, offering mixed-use space with labs, workspaces and incubators for university spinouts and other innovative companies, creating a hub for the UK cleantech community.

Separately, we announced a partnership with Oxford Science Enterprises, the world’s largest university-affiliated investment company, and Pioneer Group, a key provider of services to science businesses, to create much-needed workspace in the centre of Oxford. Our £125 million commitment will help us to transform a former department store into a mixed-use development offering 100,000 sq ft of high-specification lab space.

Opportunities in offshore wind

The transition to renewable energy is vital to the UK's future energy security and economic growth. To ensure the UK remains at the forefront of offshore wind, we are working with businesses, education providers and the Department for Work and Pensions to help develop the skills and supply-chain capabilities the sector needs.

We commissioned research to look at the supply chain requirements for Offshore Wind Leasing Round 5, which found the plans to put floating wind farms in the Celtic Sea could potentially create 5,300 new jobs and deliver a £1.4 billion boost for the economy.

To support progress and ensure the benefits are shared, we are working to develop supply chain and infrastructure capabilities in the region and nationally and have created a £50 million Supply Chain Accelerator to fund early-stage projects.

For the initial £10 million pilot funding round, launched in June 2024, we are looking for UK-based projects that link to the requirements of Round 5. The Accelerator will provide funding of up to £1 million during the development phase, helping to create much-needed supply chain capabilities. Eligible projects could include factories, manufacturing plants, test facilities or storage and distribution centres.

Our other activities include helping institutions like Bangor University, Pembrokeshire College and Cornwall college to equip students with the knowledge and skills needed for careers in renewable energy. This year we convened a group of industry partners to train a group of 60 jobs coaches in the East of England to encourage jobseekers into careers in offshore wind. If successful, this programme will be rolled out in other key locations.



5,300

jobs in the Round 5 supply chain



£1.4 billion

boost for the UK economy could be generated through Round 5



£50 million

total value of our Supply Chain Accelerator

Inspiring the next generation

A key strength of The Crown Estate is our ability to take a long view and build a legacy for future generations, an endeavour supported by our inspirational Youth Panel (who are profiled in our full Annual Report).

Closing the sustainability skills gap will be vital for the UK, and we've partnered with Microsoft UK to create two new Minecraft Education worlds to inspire young people aged 7-14 to take an interest in the sector. The Offshore Wind Power Challenge invites students to see if they can power a coastal village by designing and building an offshore wind farm. Conservation Quest at Windsor Great Park gives students the chance to be conservation apprentices, completing a series of quests to manage the ecological health of the historic park.

Each game is accompanied by supporting lesson plans and teaching materials aligned with the curriculum in each of the UK's devolved nations, and is available in English and Welsh. Together, they have been downloaded more than a million times to date.

We are also proud of our work with Arts ARKADE, which recently launched a dedicated space for young people to explore, learn and express themselves at the junction of Regent Street and Piccadilly Circus. This cultural hub hosts programmes across music, gaming, movement, sport, fashion and art, helping urban artists to develop their craft and bringing new groups of people into the West End.



2023/24 reports

**Annual Report and Accounts
Wales review (Welsh and English)
Northern Ireland review
Sustainability Data Supplement
Environmental Reporting Criteria**



Our Annual Report and Accounts 2023/24 and supplementary reports can be downloaded at:
thecrownestate.co.uk/annual-report

Photography credits

Page 11

Right: CGI for illustrative purposes

Page 12

Right: © Kirsty Andrews / Underwater
Photographer of the Year 2024

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