

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT  
GENERAL COMMITTEES

## Public Bill Committee

### CROWN ESTATE BILL [*LORDS*]

*Second Sitting*

*Thursday 6 February 2025*

*(Afternoon)*

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#### CONTENTS

CLAUSE 4 agreed to.  
CLAUSE 5 disagreed to.  
CLAUSES 6 AND 7 agreed to, one with an amendment.  
New clauses considered.  
Bill, as amended, to be reported.  
Written evidence reported to the House.

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**Monday 10 February 2025**

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**The Committee consisted of the following Members:**

*Chairs:* GILL FURNISS, † DAVID MUNDELL

- |                                                                |                                                               |
|----------------------------------------------------------------|---------------------------------------------------------------|
| † Charters, Mr Luke ( <i>York Outer</i> ) (Lab)                | † Onn, Melanie ( <i>Great Grimsby and Cleethorpes</i> ) (Lab) |
| Franklin, Zöe ( <i>Guildford</i> ) (LD)                        | Race, Steve ( <i>Exeter</i> ) (Lab)                           |
| † Heylings, Pippa ( <i>South Cambridgeshire</i> ) (LD)         | † Robertson, Dave ( <i>Lichfield</i> ) (Lab)                  |
| Jogee, Adam ( <i>Newcastle-under-Lyme</i> ) (Lab)              | † Snowden, Mr Andrew ( <i>Fylde</i> ) (Con)                   |
| † Jopp, Lincoln ( <i>Spelthorne</i> ) (Con)                    | † Strathern, Alistair ( <i>Hitchin</i> ) (Lab)                |
| † Kirkham, Jayne ( <i>Truro and Falmouth</i> ) (Lab/Co-op)     | † Wakeford, Christian ( <i>Bury South</i> ) (Lab)             |
| † Law, Noah ( <i>St Austell and Newquay</i> ) (Lab)            | † Wild, James ( <i>North West Norfolk</i> ) (Con)             |
| † Medi, Llinos ( <i>Ynys Môn</i> ) (PC)                        |                                                               |
| † Moon, Perran ( <i>Camborne and Redruth</i> ) (Lab)           | Chris Watson, Claire Cozens, <i>Committee Clerks</i>          |
| † Murray, James ( <i>Exchequer Secretary to the Treasury</i> ) | † <b>attended the Committee</b>                               |

## Public Bill Committee

Thursday 6 February 2025

(Afternoon)

[DAVID MUNDELL *in the Chair*]

### Crown Estate Bill [Lords]

#### Clause 4

##### ANNUAL REPORTS

2 pm

*Question (this day) again proposed*, That the clause stand part of the Bill.

**The Chair:** I remind the Committee that with this we are discussing new clause 4—*Partnership agreement: the Crown Estate and Great British Energy*—

“The Chancellor of the Exchequer must lay before Parliament any partnership agreement between the Crown Estate and Great British Energy.”—(*James Wild.*)

*This new clause requires the Chancellor of the Exchequer to lay before Parliament any partnership agreement between the Crown Estate and Great British Energy.*

**James Murray:** It is a pleasure to see you in the Chair, Mr Mundell. In his remarks, the shadow Minister essentially set out a similar question, rephrased in a number of different ways, about the publication of the partnership agreement between the Crown Estate and Great British Energy, and I would like to remind him of some of the points we discussed before lunch.

The Crown Estate is keen to ensure that details of the partnership are publicly available on an ongoing basis, and the Government agree that it is sensible to require the Crown Estate to include the relevant detail in its existing annual reports. I would also emphasise—I do not know whether the hon. Gentleman feels that this is less important than we do—that partnership agreements are highly commercially sensitive. It is therefore right that any agreement is not made public or laid before Parliament, as to do so would likely prejudice the commercial interests of the Crown Estate or GB Energy and risk the aims of the partnership, which are to speed up the process of delivering clean energy and investing in clean energy infrastructure.

**Mr Andrew Snowden** (Fylde) (Con): The shadow Minister talked about the agreement being presented to the Public Accounts Committee in confidence. I am not sure how it would create commercial issues for GB Energy or the Crown Estate if the agreement was viewed in private by the Chair of the Public Accounts Committee and its members.

**James Murray:** We have considered the importance of making sure that the details of the partnership are publicly available. Because of the highly commercially sensitive nature of partnership agreements, the Government

have set out that the way forward is to ensure that the commissioners include in their annual reports a summary of their activities, and of any effects or benefits resulting from their activities, under the partnership between the Crown Estate and GB Energy. We believe that that measure fulfils the aim of making sure that the information about the partnership is publicly available.

The work of GB Energy and the Crown Estate is very important for achieving some of the Government’s goals. They will work together to speed up the process of developing clean energy projects by co-ordinating planning, grid connections and leasing to de-risk projects for private developers to build. That will unlock private investment, speed up the deployment of clean energy infrastructure, boost energy independence, save costs for families, create jobs and tackle the climate crisis.

I hope that the Opposition would support some of those goals, although it was drawn to my attention that the shadow Minister campaigned against national grid infrastructure last year in his constituency. He teamed up with Liz Truss to do it; it was the shadow Minister and Liz Truss. Am I going to get sued now for having referenced that? I do not know whether the shadow Minister would like to express his regret at having campaigned against national grid infrastructure, which is obviously so important for the energy transition. Perhaps that is why this debate has touched a particular nerve on the Opposition Front Bench, but that is for him to say, not for me to speculate about.

What I do not have to speculate about, and what I can say with great certainty, is that the Great British Energy and Crown Estate partnership is very important for this Government, and the measures in clause 4 ensure that the relevant information is publicly available. I therefore commend the clause to the Committee.

*Question put and agreed to.*

*Clause 4 accordingly ordered to stand part of the Bill.*

#### Clause 5

##### SALMON FARMS ON THE CROWN ESTATE

*Question proposed*, That the clause stand part of the Bill.

**James Murray:** Clause 5 would require the Crown Estate commissioners to assess the environmental impact and animal welfare standards of salmon farms on the Crown Estate on an ongoing basis. Where that assessment determines that a salmon farm is causing environmental damage or has significant animal welfare issues, the Crown Estate would be required to revoke the relevant licence. The commissioners would be required to make the same assessment of any applications for new licences for salmon farms, and where they determine that an application may cause environmental damage or raises significant animal welfare concerns, the Crown Estate must refuse the application.

During the Bill’s passage in the other place, peers felt it necessary to amend the Bill to add clause 5. The Government understand the objectives behind the clause, but we are unable to support it, as it would duplicate existing protections. Fisheries policy is also largely devolved, and therefore responsibility for this issue in Scotland, Wales and Northern Ireland rests with the relevant

devolved Government. At present, virtually all salmon aquaculture in the UK takes place in Scotland, and the management of the Crown Estate in Scotland is also a devolved matter.

For those reasons, the clause would have almost no impact in practice on farmed salmon in the UK. As it stands, it risks impeding an already thoroughly regulated industry, while having little to no positive impact, due to the territorial realities of the Bill. Therefore, I do not recommend clause 5 to the Committee.

**James Wild** (North West Norfolk) (Con): It is a pleasure to serve under your chairmanship again so soon, Mr Mundell. As the Minister noted, the clause was added in the other place, particularly following the efforts of my noble Friend Lord Forsyth of Drumlean. It was backed by peers from across the parties, and Labour peers may have supported it as well. The Minister says that it duplicates provisions that exist. Given that the Government said in the House of Lords that they support its objective, it is clearly disappointing to see them removing these provisions, with the message that that sends about the importance of protecting the future of wild Atlantic salmon.

*Question put and negatived.*

## Clause 6

### COMMISSIONERS WITH SPECIAL RESPONSIBILITY

*Question proposed,* That the clause stand part of the Bill.

**James Murray:** Clause 6 amends the Crown Estate Act 1961 to require the appointment of commissioners with special responsibility for giving advice about England, Wales and Northern Ireland. That responsibility would be in addition to the other responsibilities of a commissioner. For appointments relating to Wales and Northern Ireland, no recommendation may be made to His Majesty, unless Welsh Ministers and the Executive Office in Northern Ireland have been consulted.

The legislative changes brought about by clause 6 ensure that those on the board of commissioners of the Crown Estate continue working in the best interests of Wales and Northern Ireland, alongside performing their existing duties as commissioners. The clause, which was added as an amendment, following Government support in the other place, will bring knowledge of the devolved nations even more directly to the board table and will supplement the expertise of the Crown Estate's director for the devolved nations, who is based in its recently opened office in Cardiff. The clause will ensure that the board of commissioners of the Crown Estate continues working in the best interests of Wales and Northern Ireland. I therefore commend it to the Committee.

**James Wild:** This is a pretty straightforward clause. It is one of those that were added to the Bill in the other place to improve it, and I hope the Minister might learn the lesson of those clauses as we come to consider the new clauses shortly.

*Question put and agreed to.*

*Clause 6 accordingly ordered to stand part of the Bill.*

## Clause 7

### EXTENT, COMMENCEMENT AND SHORT TITLE

**James Murray:** I beg to move amendment 3, in clause 7, page 4, line 4, leave out subsection (4).

*This amendment removes the privilege amendment inserted by the House of Lords.*

**The Chair:** With this it will be convenient to discuss clause stand part.

**James Murray:** These are very straightforward matters to debate. Government amendment 3 removes the privilege amendment inserted by the other place. Clause 7 sets out the Bill's extent, commencement period and short title in the usual manner for such legislation. I commend Government amendment 3 and clause 7 to the Committee.

**James Wild:** Thank you for calling me to speak again, Mr Mundell—it is good to get the exercise. There is not much to add on this very straightforward clause and amendment, other than that the commencement date, which brings the legislation into force automatically within two years, could usefully be applied to other legislation from the last Parliament. Quite a lot of private Members' Bills and other pieces of legislation were passed that have not been commenced. I could expand on that issue at length, Mr Mundell, but you would rightly say that it was not in scope. However, car parking regulations, for example, have not been brought into the code of practice or into effect. Having a clear date in legislation to say, "This will happen, as long as the Bill passes," is a good thing to do.

*Amendment 3 agreed to.*

*Clause 7, as amended, ordered to stand part of the Bill.*

## New Clause 2

### TERRITORIAL SEABED

"After section 3A of the Crown Estate Act 1961 (inserted by section 1 of this Act) insert—

*3AA Restriction on permanently disposing of interest in seabed etc*

- (1) The Commissioners may not without the consent of the Treasury permanently dispose of—
  - (a) any part of the territorial seabed, or
  - (b) any interest, right or privilege over or in relation to the territorial seabed,

which forms part of the Crown Estate.

- (2) Accordingly, without that consent, any purported disposal of a kind mentioned in subsection (1) is void.

- (3) In subsection (1), "territorial seabed" means the seabed and subsoil within the seaward limits of the United Kingdom territorial waters."—(*James Murray.*)

*This new clause requires the Crown Estate Commissioners to obtain consent from the Treasury before they permanently dispose of any of the Crown Estate's interest in, or rights or privileges in relation to, the territorial seabed.*

*Brought up, and read the First time.*

**James Murray:** I beg to move, That the clause be read a Second time.

**The Chair:** With this it will be convenient to discuss new clause 3—*Limit on the disposal of assets*—

“After section 3 of the Crown Estate Act 1961, insert—

*3A Limit on the disposal of assets*

- (1) The Commissioners must inform the Treasury if the disposal of assets of the Crown Estate will be of a value totalling 10% or more of the Crown Estate's total assets in a single year.
- (2) The Treasury must approve of any disposal of assets above the threshold in subsection (1) and the Chancellor of the Exchequer must lay a report before Parliament within 28 days of being notified by the Commissioners.”

*This new clause requires the Crown Estate Commissioners to notify and seek HM Treasury approval for the disposal of assets totalling 10% or more of the Crown Estate's total assets.*

**James Murray:** New clause 2 relates to the seabed, which is obviously an important asset held by the Crown Estate. Specifically, the clause will prevent the Crown Estate from selling the seabed without obtaining consent from the Treasury. During the Bill's time in the other place, there was significant interest in the ability of the Crown Estate to dispose of unique national assets such as the seabed.

It will be no surprise to the Committee that the law on the ownership of the seabed is incredibly complex. As such, the Financial Secretary to the Treasury committed to explore the matter further and, if required, to bring forward a legislative provision to restrict the Crown Estate's ability to sell the seabed.

I am pleased to say that the clause delivers on the commitment made by the Financial Secretary by putting special protections in place for the seabed. It does that by requiring the Crown Estate commissioners to obtain consent from the Treasury before they permanently dispose of any part of, or the Crown Estate's interests in or rights and privileges in relation to, the territorial seabed.

**Melanie Onn** (Great Grimsby and Cleethorpes) (Lab): Could the Minister give examples of when the Crown Estate might consider selling the territorial seabed?

**James Murray:** I will come in just a moment to some of the scenarios that the new clause might cover.

As I said, the new clause ensures that the Crown Estate commissioners must obtain consent from the Treasury before they permanently dispose of any part of, or the Crown Estate's interests in or rights and privileges in relation to, the territorial seabed. To be clear, that does not mean that the Crown Estate could never be permitted to dispose of a seabed. To answer my hon. Friend's question, national or local interests may be best served by such a sale, including, for example, to another part of the public sector to enable local infrastructure development. Any such sale could, under these measures, take place only with the agreement of Ministers, and it is right that they are decision makers on such sales.

I should also make it clear that the clause would not fetter the Crown Estate's existing right to agree licences or leases in relation to the seabed, which by definition do not represent a permanent disposal of the asset. The ability to agree long-term licences and leases for the seabed will continue to be an important feature of the Crown Estate, to attract significant investment needed for offshore clean energy developments.

New clause 3, tabled by the hon. Member for North West Norfolk, seeks to limit the ability of the Crown Estate to dispose of assets without Treasury approval. Specifically, it would require the Crown Estate to seek consent for the disposal of assets totalling 10% or more of its total assets in a single year, and that the Treasury lay a report before Parliament within 28 days of being notified of disposals above that threshold.

The Government's view is that imposing a limit on disposals would undermine the flexibility needed to enable the Crown Estate to operate commercially and meet its core duties under the Bill. There may be instances where it makes commercial sense to dispose of high-value assets, particularly when the Crown Estate takes a long-term view of the business and its strategy.

I recognise that the new clause would not prohibit disposals above the specified limit, but would require the Crown Estate to obtain Treasury approval. However, as I have set out for the Committee, the Crown Estate is an independent commercial business, and it is not the Government's intention to materially alter its independence in such a way that the Treasury is required to approve its business decisions.

However, I do understand that there may be concerns about the Crown Estate's ability fundamentally to change the nature of the estate. I reassure the hon. Member that the core duty of the Crown Estate—to maintain an estate in land and to enhance and maintain the value of that estate—is unchanged by the Bill. I hope that that provides the appropriate reassurance and that he feels able not to press new clause 3.

The Government are thankful for the constructive engagement of the Opposition on the matter of disposals. That has led to special protections being put in place for the seabed. I therefore commend new clause 2 to the Committee.

2.15 pm

**James Wild:** I will respond to Government new clause 2 and to new clause 3, which was tabled in my name. As we heard from the Minister, Government new clause 2 will require the Crown Estate commissioners to obtain consent from the Treasury before they permanently dispose of any of the Crown Estate's interest in, or rights or privileges in relation to, the territorial seabed. The Government moved this measure because of the extensive debate in the other place about the sale of certain assets, and particularly the seabed. We welcome the constructive approach taken by Ministers; Lord Livermore gave a commitment in the other place, and it has been honoured today, so we will support the new clause.

Although we welcome the new clause, we still have concerns about the disposal of other assets. My new clause 3 would require the Crown Estate commissioners to seek approval from His Majesty's Treasury for the disposal of assets totalling 10% or more of the Crown Estate's total assets. It would also require the Chancellor to lay a report before Parliament within 28 days of being notified of such a disposal by the commissioners.

As previously noted in Committee, the Crown Estate owns some of the nation's most vital assets. It is somewhat surprising to find that there are few safeguards to prevent the Crown Estate commissioners from deciding to sell critical assets. That is why the debate in the other

place, which exposed the issue of the seabed and brought about new clause 2, was so important. However, the Crown Estate has lots of other assets, which Members may wish to refer to and which they may think also deserve special attention.

In the original business case for modernisation of the Crown Estate, which is publicly available, it was noted that the Crown Estate was planning £1.4 billion of disposals, which—coincidentally enough—equates to nearly 10% of its portfolio. In the other place, my noble Friends suggested a disposal limit of anything greater than £10 million. The noble Lord Livermore responded:

“It is the Government’s view that imposing a statutory limit on disposals in this way would undermine the flexibility required by the Crown Estate to ensure that it can operate commercially and fulfil its core duties under the future Act.”—[*Official Report, House of Lords*, 5 November 2024; Vol. 840, c. 1411.]

The Minister made a similar argument in his speech, but I am not sure that it is right. Given that the assets are held for the benefit of the nation, there should be some form of greater transparency if they are to be disposed of. Reporting to Parliament and seeking approval from the Treasury for disposals over a set percentage would provide such transparency.

The disposal of assets by the Crown Estate should be properly scrutinised, given its important role and statutory purpose. When I asked the Crown Estate about its planned disposals—the £1.4 billion referred to in document on the modernisation of the Crown Estate, which any Member may access—it said that it was unable to disclose its plans. Members might guess that the old “confidential, commercially sensitive” reason was given. That raises concerns about transparency. Will the Minister confirm whether he knows which assets were included in that figure and whether the Crown Estate plans further disposals? I asked the same question on Second Reading, and the Minister replied to most of my points, but that is one he did not reply to. Perhaps he will do so on this occasion.

Having reflected on the debates in the other place, we have changed our approach from a £10 million cap to a 10% cap, after which new clause 3 would require approval and a report to Parliament. That is a modest measure, which would not inhibit the commercial freedom of the Crown Estate to take such decisions if it wants to. It owns assets such as Great Windsor Park and others, and who knows which it may decide to sell at some point in the future? Such assets are held in right of the Crown, so this is not about the sovereign’s private income, but about the income generated for the taxpayer. Transparency is something that the Government should endorse.

**James Murray:** I thank the shadow Minister for his comments, but imposing a limit on disposals would undermine the flexibility needed to enable the Crown Estate to operate commercially and meet its core duties under the Crown Estate Act 1961. As I mentioned earlier, there may be instances where it makes commercial sense to dispose of high-value assets, particularly when the Crown Estate, by its nature, takes a longer-term view of the business and its strategy.

**James Wild:** The Minister talked about flexibility, but the Crown Estate would not suddenly decide tomorrow to sell some asset; it will have a business case and a

process. That business case will go to the Chancellor, who will get advice rapidly—within a matter of hours or a day—either approve it or not, and report to the House. I do not see what the flexibility issue is.

**James Murray:** I point the shadow Minister to the way the system currently operates. The Crown Estate operates independently from Government, but there is a long-standing, constructive and transparent relationship between it and the Treasury. That ensures that the Government will be consulted on any potential sale of a nationally significant asset. That is underpinned by the Crown Estate’s framework document, which makes it clear that the Crown Estate should inform the Treasury “of any matters concerning spending, income or finance that are novel, contentious or repercussive.”

That is an important point to highlight in terms of the way the system currently operates.

However, I return to my earlier point, which is that the Crown Estate is an independent commercial business, and it is not the Government’s intention to materially alter its independence in such a way that the Treasury is required to approve its business decisions. I reassure the shadow Minister and others on the Committee that the Crown Estate’s core duty, which is to maintain an estate in land and to enhance and maintain the value of the estate, is unchanged by the Bill.

Finally, to respond to the question about the £1.4 billion of disposals outlined in the business case, those published as part of the Lords stages relate to non-strategic assets.

*Question put and agreed to.*

*New clause 2 accordingly read a Second time, and added to the Bill.*

### New Clause 3

#### LIMIT ON THE DISPOSAL OF ASSETS

“After section 3 of the Crown Estate Act 1961, insert—

#### 3A Limit on the disposal of assets

- (1) The Commissioners must inform the Treasury if the disposal of assets of the Crown Estate will be of a value totalling 10% or more of the Crown Estate’s total assets in a single year.
  - (2) The Treasury must approve of any disposal of assets above the threshold in subsection (1) and the Chancellor of the Exchequer must lay a report before Parliament within 28 days of being notified by the Commissioners.”
- (*James Wild.*)

*This new clause requires the Crown Estate Commissioners to notify and seek HM Treasury approval for the disposal of assets totalling 10% or more of the Crown Estate’s total assets.*

*Brought up, and read the First time.*

*Question put, That the clause be read a Second time.*

*The Committee divided: Ayes 3, Noes 9.*

#### Division No. 2]

#### AYES

Jopp, Lincoln  
Snowden, Mr Andrew

Wild, James

**NOES**

Charters, Mr Luke	Onn, Melanie
Kirkham, Jayne	Robertson, Dave
Law, Noah	Strathern, Alistair
Moon, Perran	Wakeford, Christian
Murray, James	

*Question accordingly negatived.*

**New Clause 4**

**PARTNERSHIP AGREEMENT: THE CROWN ESTATE AND GREAT BRITISH ENERGY**

“The Chancellor of the Exchequer must lay before Parliament any partnership agreement between the Crown Estate and Great British Energy.”—(*James Wild.*)

*This new clause requires the Chancellor of the Exchequer to lay before Parliament any partnership agreement between the Crown Estate and Great British Energy.*

*Brought up, and read the First time.*

*Question put, That the clause be read a Second time.*

*The Committee divided: Ayes 4, Noes 9.*

**Division No. 3]****AYES**

Jopp, Lincoln	Snowden, Mr Andrew
Medi, Llinos	Wild, James

**NOES**

Charters, Mr Luke	Onn, Melanie
Kirkham, Jayne	Robertson, Dave
Law, Noah	Strathern, Alistair
Moon, Perran	Wakeford, Christian
Murray, James	

*Question accordingly negatived.*

**New Clause 5**

**MANAGEMENT OF THE CROWN ESTATE IN WALES**

“(1) Within two years of the day on which this Act is commenced, the Treasury must have completed a transfer of the responsibility of the management of the Crown Estate in Wales to the Welsh Government.

(2) The Treasury may by regulations make provision about the transfer of the responsibility of the management of the Crown Estate in Wales relating to reserved measures as it considers necessary or expedient, including—

- (a) in the interests of defence or national security,
- (b) in connection with maintaining and developing telecommunications and wireless telegraphy, and
- (c) in connection with maintaining and developing the transmission or distribution of electricity or the provision or use of electricity interconnectors.

(3) The Treasury must by regulations make provision to ensure that the employment of any person in Crown employment is not adversely affected by the transfer of responsibility under this section.

(4) A statutory instrument containing regulations under subsections (2) and (3) may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.”—(*Llinos Medi.*)

*This new clause places a duty on the Treasury to transfer management of the Crown Estate in Wales to the Welsh Government within two years of the commencement of the Act and take measures by resolution*

*to secure arrangements for reserved matters such as defence and national security, telecommunications, and the national grid, and to ensure that employees of the Crown Estate are not adversely affected by the transfer.*

*Brought up, and read the First time.*

**Llinos Medi** (Ynys Môn) (PC): I beg to move, That the clause be read a Second time.

**The Chair:** With this it will be convenient to discuss new clause 12—*Devolution of Crown Estate powers to Wales*—

“(1) The Crown Estate Act 1961 is amended as follows.

(2) After section 7 (powers of Minister of Works in Regent’s Park) insert—

‘7A Commissioners’ functions in Wales

(1) The Treasury must set out a scheme to transfer all the existing Welsh functions of the Crown Estate Commissioners (“the Commissioners”) to the Welsh Ministers or a person nominated by Welsh Ministers.

(2) The existing Welsh functions under subsection (1) are the Commissioners’ functions relating to the part of the Crown Estate that, immediately before the transfer date, consists of—

- (a) property, rights or interests in land in Wales, and
- (b) rights in relation to the Welsh zone.

(3) The Secretary of State must by regulations set a date to implement the scheme under subsection (1) to the transfer of functions to the Welsh Ministers or a person nominated by Welsh Ministers.

(4) A statutory instrument containing regulations under subsection (3) is subject to annulment in pursuance of a resolution of either House of Parliament.”

*This new clause would require the Treasury to devolve Welsh functions of the Crown Estate Commissioners to Welsh Ministers or a person nominated by Welsh Ministers.*

**Llinos Medi:** The new clause places a duty on the Treasury to transfer management of the Crown Estate in Wales to the Welsh Government within two years of the commencement of the Bill. This would correct the glaring imbalance in the constitutional settlement of the UK whereby Wales is unable to direct and benefit from its own natural resources in the way that Scotland can. There is an overwhelming majority in favour of devolving the Welsh Crown Estate; it has been called for by the independent commission on the constitutional future of Wales, the national infrastructure commission for Wales and the Labour Welsh Government. I note, sadly, that the Welsh Government have failed to submit any written evidence in favour of devolution to this Committee.

Half of all Welsh councils have passed motions calling for the devolution of the Crown Estate, with more preparing motions for the coming weeks and months. Devolution is also supported by 58% of the population of Wales, according to the latest polling—a clear majority. The Government have argued consistently that devolution of the Crown Estate would “fragment the market”. I note that that is the same position as the previous Conservative Government, which is why the former Labour Secretary of State for Wales, Lord Hain, was right when he said, during the Lords Bill Committee, that this position

“reflects old, centralised, conservative, anti-devolution Whitehall thinking.”—[*Official Report, House of Lords, 14 October 2024; Vol. 840, c. 18.*]



Scotland is also a proof of concept that a devolved Crown Estate does not impede investment or fragment the market. If there can be a smooth and orderly transition of the management of the Crown Estate to Scotland, why not the same for Wales?

On Second Reading in the Commons, the Government argued that devolution would complicate existing processes and potentially delay grid connectivity reform, as well as the further development of offshore energy. Let me take those points in turn. First, with proper planning and a guarantee by the UK, working with the Welsh Government, to protect reserved interests, including the national grid, it would reduce the risk of impediments to ongoing reforms. That is why new clause 5 includes provision to ensure that the Treasury acts to secure reserved matters, such as the national grid, as part of the transfer of the management of the Welsh Crown Estate to the Welsh Government.

Secondly, on the potential further delays to offshore development in Wales, a devolved Welsh Crown Estate creates the opportunity for it to be strategically integrated into the planning of sub-sectors, including offshore wind in Wales. Looking again at Scotland, devolution has allowed for greater alignment between marine energy planning and licensing for renewable energy projects, such as offshore wind. With a devolved Crown Estate, the Scottish Government have taken a sectoral marine planning approach for offshore wind. They have made a specific plan for offshore wind development that provides the strategic frameworks for seabed leasing for commercial-scale offshore wind by Crown Estate Scotland. While England, Wales and Northern Ireland will have various forms of marine plans that the Crown Estate must have regard to, they cover a wide variety of policy areas and are not sector-specific.

The Welsh Government have a number of other areas that overlap with the responsibility of the Crown Estate in conducting early development of offshore wind. Those include their devolved responsibility over Welsh ports and responsibility for education in Wales, including skills and apprenticeships. These are crucial for the development of robust local supply chains for offshore wind projects. Wales could integrate a devolved Welsh Crown Estate into Welsh devolved plans and responsibilities, leading to a more strategic and joined-up approach to offshore development. In this way, devolving the Crown Estate is about not just profits from renewable licensing, but driving economic development in Wales. That would surely be a more attractive proposition to developers. The Government cannot continue to hide behind the excuse that devolution creates uncertainty. Yes, devolution will mean change.

2.30 pm

**Noah Law** (St Austell and Newquay) (Lab): Does the hon. Member recognise that the potential devolution of the Crown Estate in Wales could cause no end of issues for the fair distribution of supply chain and economic benefits in communities, alongside their Celtic neighbour in Cornwall, for example?

**Llinos Medi**: That is why we have asked for a two-year approach, so that we can work together. It has happened in Scotland and it is possible. I think it is only fair that we ask the new UK Government, who want to devolve

local authorities and regions in England, for devolution of the Crown Estate in Wales as well. It was another Labour Secretary of State, Ron Davies, who said:

“Devolution is a process. It is not an event and neither is it a journey with a fixed end point. The devolution process is enabling us to make our own decisions and set our own priorities, that is the important point.”

I urge this Labour Government to heed those words and support my amendment to devolve the Crown Estate to Wales.

**Pippa Heylings** (South Cambridgeshire) (LD): I will speak to new clause 5 and to new clause 12 which calls for the devolution of the Crown Estate to Wales. While Scotland has controlled its Crown Estate since 2017, Wales has been left without these powers, despite the fact that vast Crown Estate assets lie within its borders. It is time to correct that unbalance and bring Wales into line with Scotland. Devolving control of the Crown Estate would not only recognise Wales’s status as an equal nation, but deliver substantial economic benefits to communities across Wales. Under the current system, profits from the Crown Estate flow directly to the UK Government.

**Jayne Kirkham** (Truro and Falmouth) (Lab/Co-op): As my hon. Friend the Member for St Austell and Newquay partially explained, there is an issue relating to, for example, the Celtic sea, where the Crown Estate has great interest in floating offshore wind. That lies between Wales, Cornwall and the south-west, so where would the line be drawn? It would open up a huge number of complexities that would be very difficult to solve.

**Pippa Heylings**: Nobody is saying that this is easy, but it is possible, and it has happened with Scotland. As many Members have said to us, given that we have territorial devolution and powers over the land, why not the seabed as well? There are ways of managing this, so complexity should not get in the way of ensuring that we have fairness in the distribution of economic benefits.

This funding is desperately needed, particularly given the historical underfunding of Wales on issues such as infrastructure. The success of devolution in Scotland speaks for itself; since 2017, when Scotland gained control of the Crown Estate, it has generated more than £103 million for public finances, so let us think what could happen for Wales if it was able to retain the profits generated by the Crown Estate within their borders.

Wales is expected to generate at least £1 billion from offshore wind energy leases in the coming years alone. Keeping some of that money within Wales could add £50 million a year to the Welsh Government’s budget—funds that could be directly reinvested in public services and local communities.

But this is not just about the financial gain; as the hon. Member for Ynys Môn said, devolving the Crown Estate would open up opportunities for greater investment in renewable energy projects. That is particularly important for coastal communities, which have long suffered from the decline of traditional industries. When they see direct benefits from renewable projects, they are far more likely to support them. That would create jobs,

[Pippa Heylings]

opportunities and sustainable development, delivering long-term economic stability, especially for the coastal regions of Wales that need it most.

The devolution of the Crown Estate has widespread support across Wales, from the Liberal Democrats in this place and the Welsh Parliament to Plaid Cymru, a majority of local authorities in Wales and even to the Welsh Labour Government. There is clear and overwhelming backing. In addition, opinion polls consistently show that the majority of the Welsh public are in favour of seeing the Crown Estate devolved, and it is clear that the people of Wales want to see this change. We want to work together, and I urge the Government to support this new clause and allow Wales to benefit from the powers and financial resources that it so rightly deserves.

**James Wild:** I will not detain the Committee for long. The hon. Member for Ynys Môn referred to the previous Conservative Government's position, which has not changed today. The proposal would introduce an element of risk in spinning out assets and revenue streams. We heard about the particulars of the Celtic sea, so this is not the right proposal for this time.

**James Murray:** I thank the hon. Member for Ynys Môn for tabling new clause 5, which would require that within two years of the day on which the Act commences, the Treasury must have completed a transfer of the responsibility of the management of the Crown Estate in Wales to the Welsh Government. It would allow the Treasury, by regulations, to make provision about the transfer relating to reserved matters as necessary, and would require it to make provision to ensure that the employment of any person in Crown employment is not adversely affected by the transfer of responsibility.

I also thank the hon. Member for South Cambridgeshire for tabling new clause 12, which would require the Treasury to set out a scheme to transfer all existing Welsh functions of the Crown Estate commissioners to Welsh Ministers or a person nominated by Welsh Ministers. The Welsh functions would consist of the property, rights or interests in land in Wales and rights in relation to the Welsh zone.

The Government believe there is greater benefit for the people of Wales and the wider United Kingdom in retaining the Crown Estate's current form. Both new clauses would most likely require the creation of a new entity to take on the management of the Crown Estate in Wales which, by definition, would not benefit from the Crown Estate's current substantial capability, capital and systems abilities. It would further fragment the UK energy market by adding an additional entity and, as a consequence, risk damaging international investor confidence in UK renewables and disrupting the National Energy System Operator's grid connectivity reform, which is taking a whole-systems approach to the planning of generation and network infrastructure. Its reform aims to create a more efficient system and reduce the waiting times for generation projects to connect to the grid.

**Llinos Medi:** For clarification, does that plan not include Scotland, which has already been devolved?

**James Murray:** I thank the hon. Lady for that question, but we must consider the proposal before us in terms of the situation we face now, rather than consider decisions that have been made in relation to another nation in the past. We are considering not only the challenges but the opportunities for generating renewable energy in connection with assets closer to Wales or closer to England. The Government believe that having a united approach, through retaining the Crown Estate's current form, is the best way to improve lives for people in Wales and across the rest of the UK.

As I was saying before the hon. Lady intervened, our reforms aim to create a more efficient system and reduce the waiting times for generation projects to connect to the grid. I am sure she would not want to see those waiting times increase. The cumulative impact of the changes that she and the hon. Member for South Cambridgeshire are suggesting in their new clauses would likely significantly delay the pathway to net zero.

Furthermore, the Crown Estate's marine investments are currently made on a portfolio-wide basis across England and Wales. To devolve to Wales would disrupt the existing investments, since they would need to be restructured to accommodate a Welsh-specific entity. To devolve the Crown Estate at this time would risk jeopardising the existing pipeline of offshore wind development in the Celtic sea planned into the 2030s. The Crown Estate's offshore wind leasing round 5 is spread across the English and Welsh administrative boundaries in the Celtic sea. It was launched in February last year and is expected to contribute 4.5 GW of total energy capacity, or enough to power 4 million homes.

In addition to energy, the extensive jobs and supply chain requirements of round 5 will also likely deliver significant benefits for Wales and the wider UK. Lumen, an advisory firm to the Crown Estate, has estimated that manufacturing, transporting and assembling the wind farms could potentially create around 5,300 jobs and create a £1.4 billion boost for the UK economy.

Devolution would also delay UK-wide grid connectivity reform. The Crown Estate is using its data and expertise as managers of the seabed to feed into the National Energy System Operator's new strategic spatial energy plan. For Wales, the Crown Estate is working in partnership with the energy system operator to ensure that its current pipeline of Welsh projects, the biggest of which is the round 5 offshore wind opportunity in the Celtic sea, can benefit from this co-ordinated approach to grid connectivity up front. It would not make commercial sense to introduce a new entity, with control of assets only within Wales, into that complex operating environment, where partnerships have already been formed. Furthermore, the Crown Estate's assets and interests in Wales, as compared with its assets in England, are of a fundamentally smaller magnitude, which would likely not be commercially viable if the costs were unsupported by the wider Crown Estate portfolio.

The Crown Estate, in its present form, has the ability to take a longer-term approach to its investments and spread the costs of those investments across its entire portfolio. A self-contained, single entity in Wales would not have the same ability, nor would it benefit from the expertise that the Crown Estate has developed over decades in delivering offshore wind at scale. A devolved entity would be starting from scratch, midway through

a multimillion-pound commercial tendering process, at a time when the Crown Estate is undertaking critical investment in the UK's path towards net zero.

For example, the commercial viability of all three 1.5 GW floating offshore wind project development areas in the Celtic sea, which straddle the English and Welsh administrative boundaries, benefited from the Crown Estate's significant investment of time, expertise and capital to enable entry to market. UK floating offshore wind, which is an emerging offshore technology that the Crown Estate is supporting, would be particularly vulnerable to market disruption.

It is also important to underline that income generated by the whole Crown Estate benefits the people of Wales. As I have noted, the Crown Estate pays its entire net profits into the UK Consolidated Fund each year. That means that much of the revenues already support public services in Wales, either through supporting UK Government spending in reserved areas or through the funding provided under the operation of the Barnett formula and the Welsh Government's block grant funding.

**Perran Moon** (Camborne and Redruth) (Lab): On that point, does the Minister agree that a lot of the concern and anxiety expressed so far stems from the idea of huge opportunities for revenue generation by the Crown Estate passing through deprived rural coastal communities and going to the Treasury? Will he comment on how a place like Cornwall, which is not subject to the Barnett formula, will benefit from all the resources from something like the Celtic sea?

**James Murray:** My hon. Friend is absolutely right that a collective approach to projects such as those in the Celtic sea, which cross English and Welsh administrative boundaries, can increase a return for the UK Consolidated Fund, which benefits people in Cornwall, Wales and other parts of the UK. It ensures that we get the best return on our investment through Crown Estate activities. Our concern about the proposition in the new clauses is that it would undermine such revenue generation for all our public services, as well as disrupting the emerging market in offshore floating wind at a critical time, when what investors need is stability, certainty and confidence to invest in a growing sector, not organisational change that might undermine the investment they seek to make.

To pick up further the point made by my hon. Friend the Member for Camborne and Redruth, were Wales to benefit only from the income generated in Wales, it would likely receive zero or negligible benefits for several decades to come, because Welsh assets are relatively new and it will take them time to mature—in the order of 10 to 15 years. The Crown Estate has shown itself to be a trusted and successful organisation, with a proven track record in effective management and profit generation, which are valuable outcomes that we need to be careful not to undermine.

As I set out earlier, the Government supported the inclusion of clause 6, which will require the appointment of a commissioner responsible for giving advice about Wales. I will not repeat what I have already set out, but it is important to underline that that will help to ensure that the board of commissioners for the Crown Estate continue to work in the best interests of Wales, alongside their existing duties as commissioners. That will certainly strengthen the Crown Estate's ability and mission to deliver benefits for the whole UK.

I am aware that hon. Members may not agree with the points I have made, but I hope that I have set out clearly why the Government believe the existing structure remains the best approach. I hope hon. Members feel able not to press their new clauses.

**Llinos Medi:** I thank the Minister for those comments; I will come back on a few of them.

This debate is about fairness. We are asking for fairness and equity for Wales, and parity with Scotland. It is important to give a bit of history. Our natural resources in Wales have been extracted from our communities yet, as I mentioned earlier, by the end of this decade 34% of children in Wales will live in poverty. If the money we are discussing was spent back in Welsh communities, it would have a dramatic effect.

2.45 pm

There was a discussion about the Barnett formula; I could stand here all day and discuss the fairness of the Barnett formula for Wales, including how it does not impact deprivation and the effect on expenditure on public services. We have asked for details about the profits for Wales, but unfortunately they are not calculated. As demonstrated just now by the Minister, we have not had those figures because unfortunately the profits go into one pot and the figures for Wales cannot be shown. I will press the new clause to a vote.

*Question put, That the clause be read a Second time.*

*The Committee divided: Ayes 2, Noes 9.*

**Division No. 4]**

**AYES**

Heylings, Pippa

Medi, Llinos

**NOES**

Charters, Mr Luke

Onn, Melanie

Kirkham, Jayne

Robertson, Dave

Law, Noah

Strathern, Alistair

Moon, Perran

Wakeford, Christian

Murray, James

*Question accordingly negated.*

**New Clause 6**

**“TRANSFER OF NET REVENUE PROFIT TO WALES**

In section 3 of the Crown Estate Act 1961 (general provisions as to course of management), after subsection (1) insert—

“(1A) The Commissioners must transfer all net revenue profit generated from the Crown Estate's activities in Wales to the Welsh Government on an annual basis.”—(*Llinos Medi.*)

*The new clause would require that the Crown Estate Commissioners transfer all profit generated by the Crown Estate in Wales to the Welsh Government on an annual basis.*

*Brought up, and read the First time.*

**Llinos Medi:** I beg to move, that the Clause be read a Second time.

The new clause would require the Crown Estate commissioners to transfer all profits generated by the Crown Estate in Wales to the Welsh Government on an annual basis. Although figures for the profits generated

[*Llinos Medi*]

in recent years by the Welsh Crown Estate are not available, the figures from across the whole Crown Estate show that overall profits have increased dramatically. Since 2021, there has been a 408% increase in Crown Estate profits and therefore the profits from Wales have likely seen a similar level of increase.

Even if one accepted the Government's argument that devolution of the management of the Crown Estate would involve too much risk, that does not justify profits generated on assets in Wales not remaining in Wales. Therefore, will the Government outline whether they support the principle that all profits generated through Welsh natural resources should be kept in Wales, as is the case with Scotland?

Some argue that Wales would not benefit financially from the devolved Crown Estate given the impact on the devolved Welsh budget. However, the Scottish model already demonstrates how profits from the Welsh Crown Estate could interact with the devolved Welsh budget. In Scotland, all profits from the Scottish Crown Estate are paid into the Scottish Consolidated Fund and redistributed for public spending. These profits interact with the Scottish block grant adjustment mechanism, which was agreed with the Treasury under the 2016 Scottish fiscal agreement.

The mechanism removes a portion of the block grant as the profits from the Scottish Crown Estate increase, to avoid Scotland gaining twice over. That is due to the Scottish budget benefiting from a Barnett share of the expenditure in England, supported by Crown Estate revenues arising from England, Wales and Northern Ireland. Crown Estate Scotland has estimated that net revenue profits in 2023-24 will be £113.5 million. The current reduction to the Scottish block grant under the adjustment mechanism will be £10 million, which should result in an estimated usable revenue from the Crown Estate Scotland for the Scottish Government of £103.5 million.

If Wales followed a similar approach to Scotland, it would likely gain additional revenues from the Crown Estate and would have only a small proportion removed from its block grant in return. That would occur through a Welsh block grant adjustment mechanism to be negotiated between the Welsh Government and the Treasury. Will the Government look at opening discussions with the Welsh Government on retaining profits in Wales and establishing a fair block grant adjustment mechanism to account for rising profits over time? It would be up to the Welsh Government to decide what to do with the money from the Crown Estate.

Plaid Cymru has proposed targeting investment into deprived communities in rural Wales and our deindustrialised valleys, and using the money to develop a Welsh sovereign wealth fund. However, that is not within the scope of the new clause. I hope the Government will listen and agree to the new clause, thereby endorsing the principle that profits generated in Wales should remain in Wales.

**The Chair:** Do you wish to say anything, Mr Wild?

**James Wild:** Well—

**The Chair:** It is not compulsory.

**James Wild:** I am up now. I will not detain the Committee long. We did not support new clause 5, so it follows that we do not support new clause 6, although it raises a thought in my mind. The east of England, which is home to the largest offshore wind sites in Europe, is perhaps not getting its fair dibs. That is probably something I need to reflect on for another time.

**The Chair:** Indeed.

**James Murray:** I thank the hon. Member for Ynys Môn for tabling new clause 6, which would require that the commissioners must transfer all net revenue profit generated from the Crown Estate's activities in Wales to the Welsh Government on an annual basis. As The Crown Estate's operations are not divided into business units for each nation, calculating the exact net profit figure attributable to Wales is not straightforward, because most of the associated costs cannot easily be disentangled from the Crown Estate's overall costs and would, in places, require subjective judgment.

Furthermore, as I set out earlier, given that the Crown Estate takes a long-term approach to investments, it is anticipated that its investments in Wales could take up to 10 to 15 years to see an appropriate return. Therefore, if net profits were transferred to the Welsh Government now, they are likely to be zero or negligible. I hope that explanation was helpful and that the hon. Member feels able to withdraw the new clause.

**Llinos Medi:** I am unsure how the Minister can say that we would not receive any profits when the Government cannot work out what profits Wales generates. It feels a bit difficult to understand that argument.

I am fighting the corner for fairness for Wales. We have lost all our natural resources and that has been feeding the UK machine. Unfortunately, we are seeing poverty on the rise and deindustrialisation in communities. The new clause would see the profits that are generated given back to those communities, to be spent in those communities and on their future.

*Question put, That the clause be read a Second time.*

*The Committee divided: Ayes 2, Noes 9.*

#### Division No. 5]

#### AYES

Heylings, Pippa

Medi, Llinos

#### NOES

Charters, Mr Luke

Onn, Melanie

Kirkham, Jayne

Robertson, Dave

Law, Noah

Strathern, Alistair

Moon, Perran

Wakeford, Christian

Murray, James

*Question accordingly negated.*

#### New Clause 7

#### ANNUAL DISAGGREGATED REPORTING OF CAPITAL AND REVENUE FOR ENGLAND, WALES AND NORTHERN IRELAND

“(1) The Crown Estate Act 1961 is amended as follows.

(2) After section 2 (4) (reports and accounts), insert—

“(4A) In their accounts, the Commissioners must separately report the capital and income for the activities of the Crown Estate in England, Wales and Northern Ireland.”—(*Llinos Medi*.)

*This new clause requires the separate reporting within the annual accounts of the Crown Estate of capital and revenue for the activities of the Crown Estate in England, Wales, and Northern Ireland.*

*Brought up, and read the First time.*

**Llinos Medi:** I beg to move, That the clause be read a Second time.

**The Chair:** With this it will be convenient to discuss the following:

**New clause 8—*Publication of lease fees*—**

“In section 2 of the Crown Estate Act 1961 (reports and accounts), after subsection (4) insert—

“(4A) In their accounts the Commissioners must publish details of all individual lease agreements with public bodies in—

- (a) Wales,
- (b) England, and
- (c) Northern Ireland.

(4B) The information provided under subsection (4A) must include the value and name of the agreement.”.

*This new clause requires the Crown Estate to publish, in its annual accounts, a list of all lease agreements it has with public bodies in Wales, England and Northern Ireland including each lease’s name and valuation.*

**New clause 9—*Publication of separate reports for England, Wales and Northern Ireland*—**

“In section 2(1) of the Crown Estate Act 1961, at end insert—

“(1A) In addition to the report under subsection (1), the Commissioners shall produce a report on the performance of their functions each year in each of England, Wales and Northern Ireland.

(1B) The Commissioners shall lay—

- (a) a copy of the report in relation to England before both Houses of Parliament,
- (b) a copy of the report in relation to Wales before Senedd Cymru, and
- (c) a copy of the report in relation to Northern Ireland before the Northern Ireland Assembly.”.

*The new clause would require that the Crown Estate Commissioners report separately for each country and for the devolved legislatures to have the report laid before them.*

**Llinos Medi:** I note that since 2021 the net revenue profit and asset value data for Wales has not been published by the Crown Estate. The Crown Estate says that the reason for this is that:

“While in the past, we have produced illustrative figures for Wales, we have since shifted our focus to a more holistic approach to assessing value and increasing our investment, and we realise that such figures are not a fair reflection of value. The previous Wales numbers we published have not included a cost allocation.”

In an answer from September 2024 to my written question asking about the merits of producing regular disaggregated assets and revenue data for Wales, the Government said:

“To achieve efficiency in its operations, the Crown Estate runs many of its functions at a whole enterprise level. As a result, separate financial statements for Wales would not reflect the fact that expenditure is incurred for the benefit of the whole portfolio, and it is not possible to disaggregate net revenue profit attributable to Wales.”

I also note that the Government accepted an amendment to the Bill in the House of Lords to include national commissioners for England, Wales and Northern Ireland on the board of the Crown Estate. The amendment also grants Welsh Ministers and the Executive Office in Northern Ireland the right to be consulted about the Welsh and Northern Irish appointments. Therefore, can the Government outline how these national commissioners will be able to advise on the affairs of each respective nation if there is no process by which the Crown Estate can measure and delineate the profits and costs incurred separately in England, Wales and Northern Ireland?

New clause 7 would address this gap by requiring annual reporting of both asset value and revenue across all nations under the Crown Estate, and by doing so, it would require the Crown Estate to develop a way to measure asset value and revenue in a consistent manner. I hope the Government will accept this amendment to strengthen the ability of national commissioners to fulfil their intended role to advise and act in the interests of the nations they represent on the Crown Estate board.

I turn to new clause 8. Under the current arrangements, many public bodies, such as local authorities, pay lease fees to the Crown Estate simply to lease the land in their own area. However, details of these are not routinely published. In response to my written question in October 2024, the Government noted that,

“Publishing details of those fees would risk prejudicing the commercial interests of both The Crown Estate and the local authorities involved.”

However, local authorities are able and willing to provide this information through freedom of information requests. These FOIs have revealed that in 2023 local authorities in Wales paid fees amounting to well over £300,000 a year. At a time when council budgets are under enormous pressure, how can these fees be justified? This is public money that vital council services such as housing, education and social care are being deprived of.

We should be having a debate on the merits of these fees. This has to start with total transparency and a full account of what is being charged and where. That is why I have tabled new clause 8, which requires the Crown Estate to publish in its annual accounts a list of all lease agreements it has with public bodies in Wales, England and Northern Ireland, including each lease’s name and valuation. I ask the Government to support my new clause for the sake of transparency and to agree that, where public money is being spent, the public should be able to see where this money is going.

New clause 9 is similar to new clause 8. It would require that the Crown Estate commissioners report separately for England, Wales and Northern Ireland, and that the devolved legislatures have these reports laid before them. The Crown Estate already produces highlights reports for Wales and Northern Ireland. This amendment would place this type of reporting on a statutory footing by ensuring that these reports are made available to both the Senedd and the Northern Ireland Assembly, and would allow for greater transparency and engagement between the Crown Estate and the devolved legislatures. Diolch.

**James Murray:** New clause 7, tabled by the hon. Member for Ynys Môn, would require the Crown Estate to disaggregate reporting in its accounts to show capital

[James Murray]

and revenue figures for the activities of the Crown Estate in England, Wales and Northern Ireland. At present, the Crown Estate's operations are not divided into business units by nation. It would therefore not be straightforward to disaggregate reporting in that way. It would be a complex task, requiring a series of highly subjective judgments to be taken. Although it is possible to identify gross revenues from each nation, reporting them without any representation of the costs associated would be entirely misleading. However, the Crown Estate does publish broader information relating to its activities in England, Wales and Northern Ireland as part of its annual report and accounts. The Government's view is that it remains appropriate for the Crown Estate to continue its reporting on a whole-business basis. I hope that that explanation is helpful and encourages the hon. Member to withdraw her new clause.

3 pm

New clause 8 seeks to require the Crown Estate to publish a list of all individual lease agreements with public bodies in England, Wales and Northern Ireland, including the name and value of each agreement. As I set out in earlier debates, the Crown Estate is an independent organisation that competes in the commercial markets for profit. Although I understand that the sentiment behind the amendment is one of transparency, it would not be appropriate to require the Crown Estate to make public specific details relating to all lease agreements with public bodies, including agreement values, as this, by definition, would include commercially sensitive information.

The publication of commercially sensitive information could disadvantage the Crown Estate and its lessees, undermining competitive positions and potentially affecting negotiations with future tenants. This would be an additional requirement on the Crown Estate and not one that its competitors face. I remind the Committee that the intention of the Bill is to modernise the Crown Estate to ensure that it can compete more effectively, thereby generating maximum returns for the public purse. For that reason, it is important that the Bill does not confer additional obligations on the Crown Estate that could undermine its ability to compete in the market. I hope the hon. Member will agree and feel able to withdraw the new clause.

New clause 9 would require the publication of separate reports for each of the nations that the Crown Estate operates within on the performance of their functions. The reports would then be laid before Parliament and the devolved Assemblies respectively. At present, the Crown Estate operates as an independent and unified commercial entity, engaging in a variety of business activities across Wales, England and Northern Ireland. To achieve efficiency in its operations, the Crown Estate runs many of its functions at a whole-enterprise level.

As the Crown Estate's operations are not divided into business units by nation, attempting to disaggregate performance in each nation is a complex task. The division of the Crown Estate's performance by nation would inevitably require a high degree of subjective judgment that would likely be misleading. It is therefore the Government's view that it remains appropriate that the Crown Estate continues to report on a whole-business

basis, supplementing its annual report with a Wales review that highlights its activities in Wales. On that basis, I hope the hon. Member feels able to withdraw the new clause.

**Llinos Medi:** This is a leadership discussion—it is about the leadership we are asking the Government to show in giving Wales the fairness it deserves. We are asking for clarity around public money. I am a bit concerned that there should be a commercially sensitive discussion around public money, which is meant to be transparent. We can get it through freedom of information requests, so it should be easy to collate that information so that the people of Wales and across the United Kingdom can see how their local authorities are spending their money on the Crown Estate and where that is spent afterwards.

In addition, I am unclear about the role of the commissioners. The information that we are asking for in these new clauses would strengthen the role of the commissioners and give them the ability to fulfil their role for the benefit of those regions whose concerns they are there to voice. I will press this matter to a vote.

*Question put, That the clause be read a Second time.*

*The Committee divided: Ayes 2, Noes 9.*

#### Division No. 6]

##### AYES

Heylings, Pippa

Medi, Llinos

##### NOES

Charters, Mr Luke

Onn, Melanie

Kirkham, Jayne

Robertson, Dave

Law, Noah

Strathern, Alistair

Moon, Perran

Wakeford, Christian

Murray, James

*Question accordingly negated.*

#### New Clause 8

##### PUBLICATION OF LEASE FEES

“In section 2 of the Crown Estate Act 1961 (reports and accounts), after subsection (4) insert—

“(4A) In their accounts the Commissioners must publish details of all individual lease agreements with public bodies in—

(a) Wales,

(b) England, and

(c) Northern Ireland.

(4B) The information provided under subsection (4A) must include the value and name of the agreement.”—(*Llinos Medi.*) *This new clause requires the Crown Estate to publish, in its annual accounts, a list of all lease agreements it has with public bodies in Wales, England and Northern Ireland including each lease's name and valuation.*

*Brought up, and read the First time.*

*Question put, That the clause be read a Second time.*

*The Committee divided: Ayes 2, Noes 9.*

#### Division No. 7]

##### AYES

Heylings, Pippa

Medi, Llinos

**NOES**

Charters, Mr Luke	Onn, Melanie
Kirkham, Jayne	Robertson, Dave
Law, Noah	Strathern, Alistair
Moon, Perran	Wakeford, Christian
Murray, James	

*Question accordingly negated.*

**New Clause 9**

PUBLICATION OF SEPARATE REPORTS FOR ENGLAND,  
WALES AND NORTHERN IRELAND

“In section 2(1) of the Crown Estate Act 1961, at end insert—

“(1A) In addition to the report under subsection (1), the Commissioners shall produce a report on the performance of their functions each year in each of England, Wales and Northern Ireland.

(1B) The Commissioners shall lay—

- (a) a copy of the report in relation to England before both Houses of Parliament,
- (b) a copy of the report in relation to Wales before Senedd Cymru, and
- (c) a copy of the report in relation to Northern Ireland before the Northern Ireland Assembly.”—(*Llinos Medi.*)

*The new clause would require that the Crown Estate Commissioners report separately for each country and for the devolved legislatures to have the report laid before them.*

*Brought up, and read the First time.*

*Question put, That the clause be read a Second time.*

*The Committee divided: Ayes 2, Noes 9.*

**Division No. 8]****AYES**

Heylings, Pippa	Medi, Llinos
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**NOES**

Charters, Mr Luke	Onn, Melanie
Kirkham, Jayne	Robertson, Dave
Law, Noah	Strathern, Alistair
Moon, Perran	Wakeford, Christian
Murray, James	

*Question accordingly negated.*

**New Clause 11**

SUSTAINABLE DEVELOPMENT: COMMUNITY BENEFITS

“(1) Before making any investment decision, the Commissioners must assess—

- (a) plans for community benefits for local communities, and
- (b) plans for community benefits for coastal communities of offshore activities.

(2) In section 3(1) of the Crown Estate Act 1961, at end insert—

“(1A) The Commissioners must transfer at least 5 per cent of all net profit generated from the Crown Estate’s activities to local communities impacted by those activities.”—(*Pippa Heylings.*)

*This new clause would require the Commissioners to ensure their activities benefit local communities, including coastal communities, and that 5% of any profits would be transferred to local communities.*

*Brought up, and read the First time.*

*Question put, That the clause be read a Second time.*

*The Committee divided: Ayes 2, Noes 9.*

**Division No. 9]****AYES**

Heylings, Pippa	Medi, Llinos
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**NOES**

Charters, Mr Luke	Onn, Melanie
Kirkham, Jayne	Robertson, Dave
Law, Noah	Strathern, Alistair
Moon, Perran	Wakeford, Christian
Murray, James	

*Question accordingly negated.*

**The Chair:** My decision is that new clause 12 is sufficiently similar to new clause 5 as not to justify a separate vote, so we will move on to the remaining procedures.

*Question proposed, That the Chair do report the Bill, as amended, to the House.*

**James Murray:** May I take this moment to thank all hon. Members on both sides of the Committee for their attendance and their contributions? I also thank you, Mr Mundell, for chairing the Committee. I thank the Treasury officials, the House of Commons officials and everyone else for making the Committee run so smoothly.

**James Wild:** I am grateful, Mr Mundell, for your chairing this afternoon, and I am grateful to Ms Furniss for chairing the first session this morning. I am grateful for the support, help and advice of the Clerks and for the contributions and responses provided by the Crown Estate during the passage of the Bill. I look forward to reconvening with Members for its remaining stages, which I understand will be on 24 February—they will be a pleasure. I am grateful to the Minister for getting on the record my strong opposition to the 100 miles of pylons coming from Grimsby to Walpole in my constituency and the need to look at underground options.

**The Chair:** As ever, it is a disappointment to me that I can take no further part in these proceedings.

*Question put and agreed to.*

*Bill, as amended, accordingly to be reported.*

3.11 pm

*Committee rose.*

**Written evidence reported to the House**

CEB01 Salmon Scotland

CEB02 Luke Fletcher MS