

The Crown Estate guidance note

- I. The territorial seabed is a resource of national importance both to the United Kingdom and to the devolved administrations.
- II. The Crown Estate is a statutory body with a commercial remit and an obligation to carry out its duties with due regard to the requirements of good management.
- III. Fragmentation of ownership of the territorial seabed would potentially impact to the detriment of national economic and security interests. It could impede the effective achievement of government regulation, such as environmental and marine conservation objectives. It would also compromise the future development and management of the asset in terms of The Crown Estate's statutory remit.
- IV. For these reasons, there is a general predisposition against sales of seabed. The policy of The Crown Estate in retaining ownership and granting rights by lease or licence, has served the needs of a wide range of marine activities over time.
- V. The Crown Estate is flexible in negotiating the terms of leases and can grant leases for durations up to 150 years with other terms reflecting the proposed use.
- VI. Exceptionally, sales have taken place, for example where the installation of permanent structures creates liabilities that should not revert to The Crown Estate, or where significant third party ownership of areas of adjacent seabed already exists.
- VII. The Crown Estate considers each application for rights to use seabed on its merits. Its obligation to realise value and meet its good management duty is achieved by the rental return and management control that leases create. The long term value is preserved as part of The Crown Estate.
- VIII. If, exceptionally, a sale is contemplated, where appropriate, it would incorporate restrictions on use, and / or overage and pre-emption rights.
- IX. The value achieved in any dealing must be the best value reasonably obtainable in all the circumstances in compliance with The Crown Estate's statutory duty. If the parties are unable to agree this, The Crown Estate will refer to the Valuation Office, HM Revenue and Customs as an independent valuer.