



The Secretary of State for Transport
c/o Transport Infrastructure Unit
Department for Transport
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6 November 2023

When telephoning please ask for: Conal McLoughlin

Dear Secretary of State for Transport

Property: Land adjoining 239 Horn Lane, Acton W3 9ED (comprised within former freehold title number AGL51330)

Company: Castle Timber and Building Materials Limited (Dissolved)

We write in relation to Network Rail's application for a Transport and Works Act Order for a new railway logistics compound on the south side of the Great Western Main Line between Acton West Junction and Kensal Green Junction (the "TWAO").

Following the disclaimer of the Property by the Treasury Solicitor, the Property may be deemed subject to escheat to the Crown at common law. By longstanding convention, properties that are subject to escheat fall to be dealt with by The Crown Estate, for whom this firm acts. However, as will be apparent from this letter, The Crown Estate should not be regarded as the current owner of the Property, at least in any conventionally understood sense.

POLICY

In accordance with legal advice given on previous occasions, The Crown Estate does not propose to take any action which might be construed as an act of management, possession or ownership in relation to the Property, since to do so may incur upon it liabilities with which the Property is, or may become, encumbered. Neither this letter nor any other correspondence passing between us should be construed as such an act.

The reasoning behind this approach is that The Crown Estate does not accept that it should be, in effect, the guarantor of last resort for companies and individuals who have failed financially, leaving onerous property in their wake. To do so would not be an appropriate application of The Crown Estate's revenues, nor is it a function envisaged for The Crown Estate by Parliament. Properties which may be subject to escheat are not infrequently onerous in nature and many have little or no monetary value. The total cost of all potential past, present and future liabilities connected to such properties, of which there are many, would be enormous. As The Crown Estate accounts to the Treasury for its operating surplus, such cost would end up as a burden on the public purse.

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Classification: Confidential

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The Crown Estate has a limited remit in relation to the Property, which is now effectively ownerless and the only action that it may take is to transfer a new freehold interest in the Property to an appropriate person or body. In this case, there are two parties who have expressed an interest in seeking a disposal of the Property:

- (a) Network Rail, who wishes to secure the Property in connection with the proposed railway logistics compound; and
- (b) several individuals with an interest in adjoining residential property and who have expressed an interest in participating within a purchase of the Property.

THE APPLICATION

The Property does not form part of the TWAO but we understand is required for use ancillary to the proposed scheme.

It is not uncommon for land that may be deemed subject to escheat to be of interest to a party whose intended use is dependent upon securing a planning consent, and that another party is objecting to the application for that planning consent. In those circumstances we would normally await the outcome of the planning process, which is the proper forum for local planning decisions, at which point it is clear which of those parties is the more appropriate purchaser.

By analogy, in this instance we propose to await the outcome of the application made by Network Rail before inviting further representations from each of the interested parties, at which point it should be clear to both parties which is the more appropriate purchaser.

In this context, please note that it is the policy of The Crown Estate to return properties subject to escheat into beneficial use wherever possible.

Yours faithfully

Burges Salmon LLP

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