

ANNUAL ESTATE RENTCHARGE Q&A

What is the Estate Rentcharge?

The annual rentcharge is a legal obligation placed on Sovereign Harbour property owners to contribute to the maintenance of the harbour and the local sea defences. This obligation was imposed on property owners when the harbour developments were built and has remained in effect ever since. The amount collected and the apportionment to the beneficiaries are governed by a legal formula – see below.

Who pays the Rentcharge?

The owners of the majority of Sovereign Harbour residential properties have a legal duty to pay the rentcharge – they sign a contract to do so when they purchase their property. In 2026, the number of relevant properties was 3,198.

Who collects the Rentcharge?

The **Sovereign Harbour Trust** (SHT) was set up to collect the rentcharge. The Trust was originally registered as a charity but fell foul of the Charity Commission, and in 2010 its charitable status was withdrawn as “it had never demonstrated any charitable activities”.

Information from the Trust’s website: www.sovereignharbourtrust.co.uk

“Sovereign Harbour Trust is a charity established to preserve the beach frontage in front of Sovereign Harbour for the benefit of the public.

Sovereign Harbour Trust is the owner of Sovereign Harbour (Sea Defences) Community Interest Company Limited [see below] which collects and applies money paid to it in accordance with a rentcharge scheme established to fund flood defence at Sovereign Harbour.”

SHRA has no further information about how the Trust fulfils any charitable objectives.

Sovereign Harbour (Sea Defences) Community Interest Company Ltd now administers the collection of the rentcharge from property owners. The SHT website notes that the Community Interest Company (CIC):

“... is owned by SHT and the board members are the same for both organisations. It is the CIC which now collects payments from homeowners and applies them according to the rentcharge terms, and SHT has no additional function than ownership of the CIC, thus ensuring permanence of the organisational structure.”

The CIC and its agents have no role other than collecting the monies.

Who are the primary beneficiaries?

The two primary beneficiaries of the rentcharge are Premier Marinas and the Environment Agency.

The Environment Agency (EA) receives payment to recover the costs of the additional sea defence work made necessary by the construction of Sovereign Harbour.

Premier Marinas receives payment through the rentcharge to cover some of its costs for harbour maintenance – see below for details of which costs are covered.

How much is the Rentcharge?

The CIC is legally obligated to collect and distribute monies according to a very complex formula. Details of this formula can be found in the Rentcharge Chart on the SHRA website www.shra.co.uk/rentcharge.html.

In 2026, residents received a rentcharge invoice for £401.32. Of this £295.50 (74%) related to the **SW Charge**, and £105.82 (26%) was collected via the **Marina Charge**.

The SW Charge was set at £75.00 per liable property in 1987 and is varied annually by increases in the Retail Price Index (RPI).

For 2026, the RPI linking produced a **SW Charge** of £295.50 per liable property. From the SW Charge amount, the CIC take their administration and collection costs, and the EA is paid the index-linked Littoral Drift Obligation cost. The balance is split 50/50 between the EA for sea defence and Premier Marinas for harbour maintenance.

For 2026, the relevant Marina Costs were £633,930. The SW Charge balance contributed £385,372 towards harbour maintenance. Taking this SW Charge into account, **the Marina Charge** to be levied equated to £338,424.71, meaning each of the 3,198 liable properties was to pay £105.82.

What is the money used for?

The payments collected by the Environment Agency – roughly a third of the Rentcharge – are mainly used for work to replenish the North Harbour beach with shingle. These monies represent only a small proportion of the costs of the overall sea defences work carried out along this part of the coast. A twenty-five-year contract with Pevensey Coastal Defence Ltd (PCDL) to carry out this defence work ended in 2025. The work is now carried out directly by the EA.

Premier Marinas can legally charge for the cost of dredging, including survey costs, waterways cleaning, repairs and maintenance, lock and bridge control systems and related admin and labour.

Can the charges go up?

Yes, they can. The amount that the EA can collect is linked to the Retail Price Index (RPI), so it can vary each year. Premier's costs are not fixed or capped, nor are they linked to the RPI, so they too will vary from year to year.

Can the Rentcharge be changed?

The arrangement for the rentcharge could only be changed with great difficulty, as it is set in 'legal concrete' that is ultimately bounded by the individual agreement each property owner enters into. It would require a court case to change it, and a legal opinion obtained by SHRA several years ago suggested that the rentcharge was similar to an "estate charge", i.e. for the maintenance of the estate (the harbour), and therefore justified. To change it without a court case would require a renegotiation between the individual leaseholders and the other parties.

Does this mean I pay for flood defences in areas outside sovereign harbour through the Rentcharge? Does this mean I pay for general flood defence work twice?

The answer to both questions is "no". UK coastal flood defences are funded nationwide through general taxation, so everyone contributes, regardless of where they live. The EA's general flood defence work carried out locally is funded in this way.

The element of the rentcharge paid to the EA is to contribute towards the cost of additional work made necessary by the digging out of Sovereign Harbour. The harbour's dredged entrance channel and its southern harbour arm halt the littoral drift to the north harbour beach of the shingle that would have protected it.

Instead, the shingle builds up on the harbour's south side. This build-up needs to be transferred by road to replenish the shingle leaving the North Harbour beach through littoral drift. Further replacement is made by dredged shingle.

It is the cost of this additional work that the rentcharge contributes to; if there were no harbour, the work would not be necessary.

Do owners of newly built properties pay the rentcharge?

Yes. Newly built properties should be added to those liable to pay the rentcharge.

Do Residents in Care Homes Pay the Rentcharge?

No. People living in residential care homes do not pay the rentcharge. Nor do the owners of such properties.

SHRA

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