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Consultation on Environmental Compensation Reforms  
for Offshore Wind Consultation Co-ordinator,

Department for Environment, Food and Rural Affairs  
Seacole Building  
2 Marsham Street  
London SW1P 4DF

29 August 2025

**By email only**

Dear Madam/Sir

**Consultation on offshore wind environmental compensatory measures reforms**

On behalf of the Office for Environmental Protection, I am pleased to submit our views in response to your consultation on offshore wind (OFW) environmental compensatory measures reforms<sup>1</sup>. As the topic and issues are similar to those covered by the recent Marine Recovery Fund (MRF) consultation, we expand on the issues previously highlighted in our response to that consultation<sup>2</sup>.

Tackling the nature and climate crisis concurrently is vitally important and we support the aim to ensure that OFW compensation delivers the most ecologically effective and beneficial outcomes. We acknowledge the government's intent to remove barriers to the deployment of OFW and note that the consultation identifies that there have been real-world difficulties identifying suitable compensatory measures.

As we highlighted in our previous response, our latest annual Environmental Improvement Plan (EIP) progress report concluded that government is largely off track for key marine targets and commitments, and these targets are inherently intertwined with government's ambitions in relation to net zero by 2050, and therefore OFW. Hence, appropriate weight should be given to achieving these targets and commitments when delivering the aim set out in the consultation to reform environmental compensatory measures in a way that brings benefits for both climate and nature.

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<sup>1</sup> Defra, 'Consultation on Offshore Wind Environmental Compensatory Measures Reforms' (2025) <<https://consult.defra.gov.uk/environmental-assessment-reform/environmental-compensation-reform/>>

<sup>2</sup> Office for Environmental Protection, 'OEP response to proposed Marine Recovery Fund' (2025) <<https://www.theoep.org.uk/report/oep-response-proposed-marine-recovery-fund>>

We are pleased to see in the consultation that government acknowledges its strong commitment to boosting nature recovery and that this will be achieved by meeting the UK's Environment Act (2021) targets. The most directly relevant target here is to ensure that at least 70% of designated features in MPAs are in a 'favourable condition' by the end of 2042, with the remainder in recovering condition. The EIP23 set an interim target of 48% of designated features to be in favourable condition by 31 January 2028, in line with the trajectory required to achieve the long-term target.

Defra's detailed evidence report for the long-term target<sup>3</sup> sets out how the target has been developed based on recovery potential for features, and that this "recovery potential assumes that the pressures are removed to allow the recovery to occur". It is therefore unclear to us how this legally-binding target can be met if damage to a feature in one site can be compensated by measures covering a different feature in a different site, as this means pressures will remain in the impacted site.

We would therefore reiterate our MRF consultation response request for rapid publication of the evidence demonstrating the achievability of statutory targets in the context of the expansion of offshore wind, and continued delays to implementation of management measures.

As for the MRF, there are commendable aspects of the approach to compensation set out in this consultation, such as the continued integration of monitoring, creation of a public compensation register, adaptive management and the mitigation hierarchy.

We agree that clarity is needed to ensure the mitigation hierarchy is applied consistently to reduce the use of compensation and so we welcome the proposal that "the requirement to apply the mitigation hierarchy in a sequential manner continues to be applicable across the UK". We support the proposal to add safeguards in the legislation, which include a compensation hierarchy that requires that measures directly targeting impacted features be considered ahead of wider compensatory measures.

We also support the intention to develop a list of Marine Irreplaceable Habitats, for which a bespoke environmental compensation strategy consisting of directly beneficial measures will be required. We note that the consultation identifies that further work is required to clarify what habitats will be considered irreplaceable and we will review the guidance for England when this is published.

Monitoring and transparency are essential to ensure that compensation is delivering the intended outcomes and adaptive management is undertaken when required. We therefore support the development of a register of compensatory measures and the proposal that the current process for adaptive management will continue to apply.

We note the proposal to use guidance to enable projects to begin operation before environmental compensation is in place, in limited circumstances. We would highlight the

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<sup>3</sup> Defra, 'Biodiversity Marine target. Detailed evidence report' (2022)  
[https://consult.defra.gov.uk/natural-environment-policy/consultation-on-environmental-targets/supporting\\_documents/Biodiversity%20marine%20target%20%20Detailed%20evidence%20report.pdf](https://consult.defra.gov.uk/natural-environment-policy/consultation-on-environmental-targets/supporting_documents/Biodiversity%20marine%20target%20%20Detailed%20evidence%20report.pdf)

importance of timing of compensation to avoid/minimise harm as the marine environment is depleted, and urgent recovery is required.

While we continue to support in principle the concept of strategic compensatory measures, the risks to the environment and the potential challenges to Marine Protected Areas (MPAs) that we highlighted in our MRF consultation response remain relevant to these current proposals. We would also highlight some additional concerns:

### **MPA network coherence**

The potential challenges in relation to MPAs that we highlighted in our MRF consultation response also apply to these reforms. In addition, the proposal in this consultation to remove the requirement for network coherence and to allow compensation measures for different features in different protected sites, which have benefit for the MPA network, has the potential to lead to a piecemeal reshaping of the MPA network.

In the latest MPA network Assessment,<sup>4</sup> Defra stated that after the third tranche of MCZ designations in 2019, it considered the MPA network to be substantially complete and representative of the England and Northern Ireland offshore marine environment. This progress could potentially be impacted by these changes.

We note the consultation commits to “uphold our domestic and international environmental commitments”, and we are aware that the government is currently undertaking a review of the MPA network. We therefore recommend that this review provides details of how compensation will be delivered in a way that meets the domestic and international commitments for networks of MPAs that are ecologically coherent and well managed.

### **Additionality**

We agree with the consultation position that compensatory measures should go beyond the normal measures required for the designation, protection and management of protected sites. We also welcome the proposal to create clarity about what should be considered additional to normal practice through guidance. However, we have concerns about the proposed definitions, which we recommend are clarified in the guidance.

The consultation suggests that measures can be additional if they are not planned and funded by government. Government is under an obligation to ensure that the MPA network is managed to ensure that sites reach favourable status. We note the continued delays in implementing outstanding necessary measures and as such would welcome clarification that the proposed approach will not enable industry funding of measures that government must undertake. Without such safeguards, this could inadvertently disincentivise government action and pass obligations onto developers.

### **Guidance**

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<sup>4</sup> Defra, ‘Marine Protected Areas Network Report 2019–2024’ (2024)  
<[https://assets.publishing.service.gov.uk/media/67601b1fb745d5f7a053ef97/Marine\\_Protected\\_Areas\\_\\_MPA\\_\\_Network\\_Report\\_2019-2024\\_Web\\_Accessible\\_\\_002\\_.pdf](https://assets.publishing.service.gov.uk/media/67601b1fb745d5f7a053ef97/Marine_Protected_Areas__MPA__Network_Report_2019-2024_Web_Accessible__002_.pdf)>

We note that detail of how the strategic approach to compensation will work will be set out in guidance. It is important that this guidance is clear, usable and not open to interpretation. For example, it should include detail on what it means for a compensation measure to be considered “feasible and likely to be effective”. We recommend that the government should continue to engage with devolved administrations in the development of guidance to ensure coherence and limit the risk of inconsistent decisions, or unintended consequences of discharging compensatory obligations.

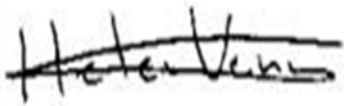
## **Conclusion**

As we set out in our previous response, these OFW compensation proposals and the MRF could become significant enabling tools to simultaneously deliver a clean power system, while protecting and restoring the marine environment. We continue to support the overall design and ambition of strategic compensation for OFW, while noting that it also presents some environmental risks.

We would reiterate that government must have due regard to the Environmental Principles Policy Statement, as OFW compensation (including the MRF) is developed. We consider that transparency about how the duty is informing development of OFW compensation would be a positive step and would be useful to those engaged with this policy, and for wider scrutiny and accountability purposes.

We will continue to monitor the development of OFW compensation and will engage with the policy team to understand how our input can be most valuable to support the expansion of offshore wind in a way that does not come at the expense of an already depleted marine environment, and enables the urgent recovery required.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Helen Venn', with a horizontal line drawn through the middle of the signature.

Helen Venn

Chief Regulatory Officer

Office for Environmental Protection