



Department for
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Dear Dan,

The Crown Estate's Fourth Seabed Leasing Round: Habitats Regulation Assessment

I refer to The Crown Estate's letter of 20 April 2022 on the Plan Level Habitats Regulations Assessment for the Fourth Seabed Leasing Round. I am content that The Crown Estate has fulfilled its obligations under regulation 64 of the Habitats Regulations 2017, and regulations 29 and 30 of the Conservation of Offshore Marine Habitats and Species Regulations 2017. I am content that The Crown Estate has appropriately assessed the impacts of the plan on the protected sites within the National Site Network that may be affected and am content for the plan to proceed subject to the condition set out in this letter.

I am satisfied that an appropriate evaluation of alternative solutions has been carried out and we accept that there are no alternative solutions to the preferred options that would have a lesser effect on the integrity of the sites in our National Site Network, whilst meeting our decarbonisation and renewables ambitions under the British Energy Security Strategy (BESS).

There is also a strong case to justify the anticipated damage to sites within the National Site Network on grounds of imperative reasons of overriding public interest, based on the importance of dealing with climate change and meeting our decarbonisation and renewables ambitions, and more recently the need for energy security.

I note that it has been difficult to provide the level of detail necessary to identify all potential impacts and that where this is the case, further assessment has been deferred to the project level HRAs, where further assessment, and consultation will take place with Government, Statutory Nature Conservation Bodies (SNCBs) and environmental NGOs.

I understand that impacts on the Dogger Bank SAC and Flamborough and Filey Coast SPA will be compensated through developing compensation plans for each of the affected sites. However, I note that a lack of certainty on the efficacy and longevity of certain measures was raised by some respondents to The Crown Estate's consultation. I am encouraged that you will be exploring a suite of potential compensation measures to ensure there is the flexibility needed to develop effective compensation. I am also supportive of the steering groups being set up for each

compensation plan, with a condition added to developer's Agreement for Lease (AfL) that agreement of the compensation plan within each steering group is required before submission of DCO applications. I note that both BEIS and Defra will be invited to participate on the steering group for each compensation plan. This is essential so Government understands future compensation needs, potential opportunities and allow us to ensure that the compensation packages can learn from ongoing research programmes such as OWEC (Offshore Wind Evidence and Change Programme) and align with the new policies and arrangements being developed under the British Energy Security Strategy, such as the Offshore Wind Environmental Improvement Programme.

Given the uncertainty in the efficacy and longevity of certain compensation measures, monitoring will be essential to ensure the measures are working, and adaptive monitoring will be required if the initial measures do not work as planned. A condition of my approval is:

- The Terms of Reference for each steering group require the steering group to monitor each measure and the compensation plan as a whole, at intervals that experts within the steering group consider appropriate,
- Require the steering group to put in place adaptive management if necessary,
- Require the steering group to take into account any recommendations from the advisory group, and
- Require the steering group to take into account wider Government policies (such as requirements within the BESS) when monitoring and adapting.

My Department is happy to work with The Crown Estate on the practicalities of undertaking this monitoring review as part of our membership on each steering group.

On the basis of the condition proposed above, I am content that appropriate steps have been taken to ensure that compensatory measures will be in place to offset predicted losses to the Dogger Bank SAC and the Flamborough and Filey Coast SPA. Consequently, I can confirm that BEIS has no objections to The Crown Estate's approval of the Strategy.

Yours sincerely,



RT HON KWASI KWARTENG MP
Secretary of State for Business, Energy & Industrial Strategy