

Consultation for the establishment of the MRF MRF Team, Defra 2 Marsham Street London SW1P 4DF

12th May 2025

Dear Sir/Madam

Consultation for the establishment of the Marine Recovery Fund (MRF)

Thank you for the opportunity to comment on the consultation for the establishment of the Marine Recovery Fund (MRF), dated April 2025. This response has been prepared on behalf of Historic England (HE), which is the Government's advisor on all aspects of the historic environment in England. As well as operating throughout England, HE's general functions under section 33 of the National Heritage Act 1983 encompass monuments in, on, or under the seabed within the seaward limits of the UK Territorial Sea adjacent to England, and we provide advice in relation to English marine plan areas (inshore and offshore) as defined by the Marine and Coastal Access Act (MCAA) 2009. Historic England is happy for this response to be made public.

Historic England only wishes to comment on a small number of matters raised by the consultation document, hence responding by letter rather than by the online questionnaire. We have referenced the paragraph and question numbers from the consultation document where relevant.

Historic England has worked closely with the offshore wind farm sector for over 20 years, providing positive, pragmatic advice to regulators and developers. Heritage is highly regarded across the sector for its collaborative approach and the value it brings. Historic England has recently commenced a £1.25M project funded by the Crown Estate's Offshore Wind Evidence & Change (OWEC) programme to improve the availability and application of digital information to support OWF proposals and strategic planning.

We note that the MRF forms part of the Offshore Wind Environmental Improvement Package (OWEIP) that the government is implementing 'to help deliver a significant expansion in offshore wind capacity, whilst continuing to protect the marine environment' (para. 31). However, OWEIP appears to regard marine environmental protection as synonymous with (or

> Historic England, 4th Floor, Cannon Bridge House, 25 Dowgate Hill, London EC4R 2YA Telephone 020 7973 3700 Facsimile 020 7973 3001 HistoricEngland.org.uk

perhaps limited to) nature protection. This is inconsistent with the scope of the marine environment set out in statute and policy. In environmental assessment regulations, the UK Marine Policy Statement and marine plans, fisheries legislation and various other provisions, the marine environment expressly encompasses heritage assets and the historic environment.

The consultation document explains (para. 32) that OWEIP will reform environmental assessments for offshore wind developments, enable unavoidable marine environmental impacts to be compensated for at a strategic level, establish Marine Recovery Funds, deliver Offshore Wind Environmental Standards (OWES), and develop a strategic approach to environmental monitoring. We appreciate that this consultation is confined to the MRF, which has been framed to address only nature protection, impairing its wider use. Nonetheless, the MRF still has implications for the historic environment. Moreover, all the other measures listed for OWEIP refer to the environment, which encompasses the historic environment inclusive of sites of historic or archaeological interest. We would therefore urge greater consideration within OWEIP of the historic and archaeological characteristics of the marine environment, including in strategic approaches to compensation.

Historic England responded in March 2024 to the OWEIP team on its consultation on Marine Protected Area (MPA) assessments saying we would be very grateful if Defra could include Historic England within the scope of its engagement, welcoming early dialogue. This remains the case: given our statutory duties and our roles in marine planning and in consenting offshore wind development, Historic England would welcome comprehensive engagement with Defra on OWEIP.

We note the intended operation of the MRF, which enables developers to purchase Strategic Compensation Measures (SCMs) that have been pre-approved in a Library of Strategic Compensatory Measures (LoSCM) developed by the Collaboration on Offshore Wind Strategic Compensation (COWSC) programme. We note that COWSC is continuing to identify and propose further compensatory measures (para. 46) and Defra sets out its intention to continue to develop SCMs in a collaborative way, with expert advice from SNCBs and others, recognising the value of stakeholder involvement in developing measures (para. 47). Although it is the Government's adviser, Historic England has not so far been included in providing expert advice to COWSC or involved as a stakeholder: we would welcome engagement with COWSC.

Of the three measures as far added to LoSCM, Artificial Nesting Structures (ANS) could have direct and indirect impacts on the historic environment. However, we understand that ANS will themselves be subject to marine licences that will take into account the historic environment in accordance with appropriate marine policy documents.

Historic England, 4th Floor, Cannon Bridge House, 25 Dowgate Hill, London EC4R 2YA Telephone 020 7973 3700 Facsimile 020 7973 3001 HistoricEngland.org.uk

We note that it has recently been decided to expand the MPA network to compensate for unavoidable benthic impacts (para. 39) and MPA designation or extension has been added to LoSCM accordingly. We would like to underline that some benthic habitats and sites of geological or geomorphological interest eligible as protected features of MPAs can also be of archaeological interest, notably peat and clay exposures formed as prehistoric landsurfaces that are now submerged. Such surfaces and deposits have a high degree of archaeological significance but are also susceptible to benthic impacts. Further, sections 117(7) and 117(8) of the Marine and Coastal Access Act (MCAA) 2009 provide that designation of MCZs includes considering the consequences of their designation for any sites of archaeological or historic interest; and decisions about MPAs generally must have regard to the appropriate marine policy documents – which encompass the marine historic environment – under MCAA 2009 s. 58. We look forward to continuing dialogue with Defra about how MPA designation and extension will engage with protected features of archaeological interest and meet statutory obligations with respect to the historic environment. In this, we will continue to emphasise the potential of the historic environment to contribute to nature recovery where heritage assets present valuable habitats in themselves as well as providing physical protection to habitats and species in their vicinity, for example.

We turn now to specific questions raised in the consultation document:

Question 15: Do you agree that the requirement for evidence of SNCB advice that corroborates (without prejudice) that the applicant has appropriately sought to avoid, reduce, and adequately mitigate for adverse impacts prior to seeking SCMs as a last resort (for example, Discretionary Advice Service correspondence) will encourage eligible applications and deter speculative applications?

We agree with this requirement insofar as it reinforces the mitigation hierarchy and underlines the importance of place-based solutions to potential impacts in the locations where they occur.

Question 29: Does the proposed breakdown of costs listed above include sufficient information for applicants to decide whether to pay into the MRF?

We welcome the acknowledgement that the administrative costs of MRF include administrative/overhead costs to other Arm's Length Bodies, such as Historic England (para. 132). We note also that MRF is intended to be cost neutral to government and welcome confirmation that this includes the costs of MRF for the historic environment that might otherwise have to be met by government.

> Historic England, 4th Floor, Cannon Bridge House, 25 Dowgate Hill, London EC4R 2YA Telephone 020 7973 3700 Facsimile 020 7973 3001 HistoricEngland.org.uk

Question 33: Do you agree with our proposal that any surplus funds may be used for the development of SCMs?

We agree with this proposal but note that further research into SCMs should address explicitly their potential implications (positive as well as negative) for the historic environment.

Question 35: Do you agree with our proposal that, when using the MRF, responsibility for an SCM will rest with Defra (as MRFO) at the point that full payment (or the first instalment of a scheduled payment plan) is complete (subject to ongoing payment of instalments)?

Question 36: Do you agree with the proposed approach to MRF's [MRFO's?] ownership of and responsibility for any compensation assets or SCMs?

We note the proposal that Defra as MRFO will be responsible for compensation assets and SCMs. We would welcome clarification that Defra's responsibilities will encompass the implications of assets/SCMs for the historic environment, including impacts that arise over the full lifespan of the assets/SCMs.

Question 37: To what extent do you agree that the above processes outlined in paragraphs 154-168 will enable the MRF to deliver ecologically feasible compensation?

In delivering compensation that is ecologically feasible and in the interests of wider sustainability, Defra should ensure that compensation does not detract from conservation of the historic environment or the realisation of its values as set out in the UK Marine Policy Statement. The consequences of compensation for the historic environment encompass access to heritage assets, the full life span of measures, and their indirect consequences for heritage assets elsewhere as a result of, for example, displacement.

Accordingly, Integration and Monitoring Plans (IMPs) for SCMs – both Delivering Body SCMs and specific MRF IMPs – should set out expressly how the historic environment will be taken into account in implementing MRFs, and how the effects of MRF implementation on the historic environment will be monitored over the lifetime of the SCM.

Question 38: Is there anything in addition to the above that the MRF should consider to improve the process of delivering compensation? The MRF could improve the process of delivering compensation by setting out how it will properly integrate consideration of the historic environment in accordance with law and policy.

Historic England would be pleased to advise how this might be achieved for the benefit of nature recovery as well as for our cultural heritage. We look forward to working with Natural England and others on the implementation of MRF to integrate the management of the natural and historic environment as set out in the Joint Statement between Natural England, Historic England, and the National Lottery Heritage Fund.

Historic England, 4th Floor, Cannon Bridge House, 25 Dowgate Hill, London EC4R 2YA Telephone 020 7973 3700 Facsimile 020 7973 3001 HistoricEngland.org.uk

Question 39: Is each stage of the adaptive management hierarchy clearly defined?

Question 40: To what extent do you agree with our proposals for Adaptive Management, outlined above?

We support the approach to adaptive management outlined in the consultation document. Adaptive management must, of course, encompass instances where the SCM is not functioning as expected with respect to the historic environment including, for example, where the consequences of MPA designation for any sites of archaeological or historic interest is not as expected from their consideration at the time of designation. The application of adaptive management for the historic environment underlines the need for IMPs to encompass heritage assets in monitoring.

Question 43: Will the approach outlined allow SNCBs to carry out their role effectively?

The approach omits reference to Historic England as an 'other relevant body' with a relationship with MRF. This omission may reflect the fact that historic England is not among the bodies with which Defra has engaged in developing the MRF (para. 14). We would welcome swift engagement with Defra to make good this omission in the proposed approach, across the different functions it describes.

We note also that no reference is made to government advisers on the historic environment for Wales and Northern Ireland in para. 198.

Question 44: Do you agree that the proposed operation of the MRF provides applicants with sufficient confidence that the consent requirements for environmental compensation will be met when using the MRF?

Confidence for applicants in the operation of MRF will be increased by proper consideration of the historic environment, ensuring that statutory and policy requirements are met without challenge, and maximising the contribution that the historic environment can make to nature recovery alongside its other economic, social and environmental benefits.

Any queries regarding this response can be addressed to myself via the email address below.

Yours faithfully

Dr Antony Firth, MCIfA Head of Marine & Coastal Heritage <u>antony.firth@historicengland.or.uk</u>

> Historic England, 4th Floor, Cannon Bridge House, 25 Dowgate Hill, London EC4R 2YA Telephone 020 7973 3700 Facsimile 020 7973 3001 HistoricEngland.org.uk Please note that Historic England operates an access to information policy.

Correspondence or information which you send us may therefore become publicly available.