

The Crown Estates response to North Falls Offshore Wind Limited, ExQ1 Q10.2.4

4th March 2025

1. This written representation is submitted on behalf of The Crown Estate (“**TCE**”) in connection with the application by North Falls Offshore Wind Limited (the “**Applicant**”) for a development consent order (DCO) for the North Falls Offshore Wind Farm (the “**Project**”).
2. The Examining Authority (“**ExA**”), has posed a number of questions relating to the potential for Marine Net Gain (MNG) consideration in the context of the Project. TCE is submitting this response to provide an opinion in response to these questions which are, specifically:
 - a. Is it possible/feasible (in principle) for a MNG strategy to be produced for this development to compliment the onshore BNG strategy ; or in the interests of pursuing other offshore ecological enhancements possible currently? If not, why not?
 - b. Clarify/signpost what cross-cutting work has occurred to explore due offshore ecological enhancement opportunity? If this has not occurred, state why not.
3. In providing this response it should be noted that TCE acknowledges that the policy for MNG is still in development in England and guidance is not yet available for Applicants. Defra is leading on the development of MNG policy, with advice from Natural England (NE) and the Joint Nature Conservation Committee (JNCC) in their capacity as Statutory Nature Conservation Bodies (SNCBs). TCE has been contributing to this process in recent years, exploring options with SNCBs and industry stakeholders, and providing evidence that can be fed into the ongoing review process being led by Defra. A brief summary of this activity is provided below.
4. In 2022, TCE provided funding for the *North Sea Net Gain Project* through the Offshore Wind Evidence and Change (OWEC) Programme. This project was an international collaboration to provide further evidence on how biodiversity on the seabed is distributed across the North Sea and around the UK into a central dataset. Through a thorough data mining process, detailed maps were produced of habitats and distributions of key benthic species in the North Sea, showcasing the power of “big data”. In March 2022, the project launched, and as part of this part of this, two new online apps were produced in addition to the publication of the full dataset, which is helping ensure that decisions around offshore wind deployment can be made using the most comprehensive information available.
5. With Industry, TCE has provided funding for and engaged directly with the *Strategic Net Gain Project: The Strategic Net Gain Task and Finish Group*. This project was established as part of the Offshore Wind Evidence and Change (OWEC) Programme. Two phases of the project have been completed to date:
 - a. Phase 1: aimed to identify a set of strategic targets for the delivery of MNG based on the views of those people working in the coastal and marine environment. The work also examined the current state of the coast and marine environments using published information such as the Marine Strategy Framework Directive (MSFD) determinations and the descriptors used to define condition. The outcome of the project was a robust set of recommended strategic targets for MNG which have strong consensus and agreement from industry, regulators and conservation bodies.
 - b. Phase 2: scrutinised the whole range of restoration and conservation works around the coasts to examine their breadth, diversity, challenges, successes and failures, based on widespread consultation. The results demonstrated that there is considerable experience of project work associated with conservation and that while some of this has been successful, there are many challenges facing those doing the work. As a consequence, it was possible to refine the strategic targets to create better understanding of what can be achieved and the challenges to delivering them as net gain.

6. Phase 3 of this work is ongoing and seeks to assist Defra with work on principles and procedures for MNG. It aims to deliver recommendations on how to carry out and deliver aspects of MNG, in particular the practical aspects learned from carrying out the work at a local level.
7. TCE has contributed to a number of Defra run workshops and discussions led by Howell Marine Consulting (HMC) to explore how MNG can be implemented within the complexities/mechanics of the existing marine regulatory processes. These include:
 - a. Industry workshop on an MNG assessment framework to discuss how MNG could be quantified.
 - b. A similar workshop with regulators and ALBs on the assessment framework.
 - c. Development of pilot projects with a particular focus on nature leasing (using TCE leases to deliver MNG), MPA management plus (where existing management mechanisms can be strengthened) and strategic delivery of MNG (potential for a strategic nature restoration plan), to understand the role TCE could play in delivery of MNG.
 - d. Bilateral calls with Defra, NE and HMC to discuss development of the pilot projects, details of TCE's leasing and TCE's nature ambition to feed into the above.
8. In line with our recently published Nature Ambition, TCE has been exploring opportunities to integrate delivery for nature into our leasing. For OW Leasing R5 for example we have included an obligation for Developers to deliver Positive Environmental Value. This approach was not a consideration for previously leasing rounds and as such does not apply to existing lease agreements such as that for North Falls OWF.
9. Although policy has yet to be finalised, given the amount of work completed to date and active research underway in this space, it is the opinion of TCE that it is in principle possible for Developers to explore options that could deliver some other offshore ecological enhancements. We recognise however that it may be difficult to formally articulate how such measures could constitute Net Gain in the absence of agreed metrics and standards which remain in development.
10. We will continue to defer to Defra and the SNCBs on the specifics of how the delivery of MNG should be formalised.


Head of Nature & Environment

For and on behalf of the Crown Estate Commissioners