



Department  
for Environment,  
Food & Rural Affairs

Guidance

# Part 1: When and how to compensate for environmental harm (offshore wind)

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## When this guidance applies

This guidance applies to relevant offshore wind activity (as defined in the Energy Act 2023) that is expected to adversely affect protected sites and require environmental compensatory measures.

This guidance explains aspects of the compensation hierarchy (<http://www.gov.uk/government/publications/offshore-wind-compensation-hierarchy>) published under provisions in the inshore and offshore regulations (together known as the Habitats Regulations):

- regulation 68ZA of the Conservation of Habitats and Species Regulations 2017 (the inshore regulations) and
- regulation 36A of the Conservation of Offshore Marine Habitats and Species Regulations 2017 (the offshore regulations)

These provisions were introduced by the Conservation of Habitats and Species (Offshore Wind) (Amendment etc.) Regulations 2026 (<https://www.legislation.gov.uk/ukxi/2026/508/contents/made>).

## **Protected areas where this guidance applies**

This guidance applies to offshore wind activity that is expected to have an adverse effect on:

- Special Areas of Conservation (SACs)
- Special Protection Areas (SPAs)
- Ramsar sites

It does not apply to offshore wind activity expected to adversely affect Marine Conservation Zones (MCZs).

Compensatory measures must deliver ecological benefits to the UK Marine Protected Areas (MPA) network that are reasonably proportionate to the adverse effect on the SAC, SPA, or Ramsar site. The UK Marine Protected Area (MPA) network includes:

- SACs
- SPAs
- Ramsar sites
- MCZs
- Sites of Special Scientific Interest (SSSI)

## **Location of activity**

This guidance applies to relevant offshore wind activity in:

- English inshore waters (within 12 nautical miles) and English offshore waters (beyond 12 nautical miles)
- Welsh offshore waters (beyond 12 nautical miles), including in relation to relevant offshore wind activity in respect of which the Welsh ministers are the consenting authority (unless and until Welsh ministers publish their own guidance in respect of such activity)
- Welsh inshore waters (within 12 nautical miles), for infrastructure which is part of an NSIP application (as described in s.293(2) of the Energy Act 2023) and in relation to qualifying Secretary of State functions

- Northern Ireland offshore waters (beyond 12 nautical miles)
- Northern Ireland inshore waters (within 12 nautical miles) in relation to qualifying Secretary of State functions

This guidance does not apply to offshore wind activity in Scottish waters. Scottish Government is producing its own guidance on compensatory measures for offshore wind activity in Scottish waters.

## Who should use this guidance and when

If you are an offshore wind plan or project promoter, you should read this guidance before developing your Report to Inform Appropriate Assessment.

You should use this guidance for:

- identifying or developing appropriate compensatory measures for relevant offshore wind activity that is likely to proceed under the derogations under the Habitats Regulations due to adverse effects on one or more SAC, SPA, or Ramsar site
- requests for alternative compensatory measures for existing projects
- adaptive management
- live applications where the application had not been decided before the Conservation of Habitats and Species (Offshore Wind) (Amendment etc.) Regulations 2026 came into force on 21 May 2026

The Habitats Regulations require the consenting authority to have regard to this guidance when securing compensatory measures.

In this guidance, 'application' may refer to applications for:

- Development Consent Orders (DCOs)
- marine licences
- other relevant consents

including for test projects or operation and maintenance activity at offshore wind plan or project arrays and associated infrastructure.

This guidance will be reviewed in line with the requirements in the Conservation of Habitats and Species (Offshore Wind) (Amendment etc.) Regulations 2026.

## Other guidance

You should also review other government advice such as:

- the Planning Inspectorate advice notes on Nationally Significant Infrastructure Project processes (<https://www.gov.uk/government/collections/national-infrastructure-planning-advice-notes>)
- the Statutory Nature Conservation Bodies' (SNCBs) advice in relation to your plan or project
- guidance on habitats regulations assessments (<https://www.gov.uk/guidance/habitats-regulations-assessments-protecting-a-european-site>) (for English inshore waters)

You should also seek pre-application input from the relevant SNCB.

## Role of consenting authorities

The Habitats Regulations require consenting authorities to ensure that appropriate compensatory measures are secured which comply with regulations 68ZA of the inshore regulations and 36A of the offshore regulations.

When securing measures for relevant offshore wind activity, the Habitats Regulations require consenting authorities to have regard to this guidance.

The policy has been made with due regard to the Environmental Principles Policy Statement, as required under the Environment Act 2021. In addition, consenting authorities will consider a range of factors when making consenting decisions, within the appropriate national and international legal frameworks.

## Consenting authorities

For the purposes of this guidance, the consenting authority is the authority responsible for environmental compensatory decisions for approving DCOs,

marine licences, or any other relevant consents.

## **Approval of compensatory measures**

Defra ministers, and Welsh or Northern Ireland ministers where appropriate, may approve compensatory measures into the library of strategic compensatory measures (referred to as the library in this guidance), which can be used by project and plan promoters.

## **Cross border impacts**

Plan and project promoters should provide sufficient information on the nature, location and expected outcomes of the proposed compensatory measure or measures to enable early advice by SNCBs.

If you are seeking to deliver compensatory measures within Scottish waters to address adverse effects occurring outside Scottish waters, you should contact the Scottish Government at an early stage to discuss your proposals.

For plans and projects covered by this guidance you should contact the library governance group at Defra at an early stage to discuss your proposals.

## **Getting advice from Statutory Nature Conservation Bodies**

SNCBs provide advice to plan and project promoters as well as to consenting authorities on:

- environmental impacts
- proposed compensatory measures and their ecological effectiveness
- compensation hierarchy considerations and the suitability of moving through it

SNCBs can give advice at all stages including:

- the post-consent stages
- for adaptive management
- for operational and maintenance activities

You should engage with the relevant SNCBs as early as possible to discuss your compensation plan and seek advice on specific technical issues.

Consulting SNCBs too late in the process may result in delays to the provision of advice. Early engagement will ensure that you can fully consider their advice before finalising your compensatory measures proposals.

## England inshore

For advice, contact Natural England at [enquiries@naturalengland.org.uk](mailto:enquiries@naturalengland.org.uk).

Read Natural England's [Marine advice and evidence](https://designatedsites.naturalengland.org.uk/MarineAdviceAndEvidence.aspx) (<https://designatedsites.naturalengland.org.uk/MarineAdviceAndEvidence.aspx>) for advice on designated sites.

Natural England provides technical advice on preparing evidence for offshore wind plan or project applications in their 'Offshore Wind Marine Environmental Assessments Best Practice advice for evidence and Data'. Contact [NEOffshoreWindStrategicSolutions@naturalengland.org.uk](mailto:NEOffshoreWindStrategicSolutions@naturalengland.org.uk) for the most up to date version.

## Wales inshore

Contact Natural Resources Wales (NRW) for advice on impacts to the inshore area at [marine.advice@cyfoethnaturiolcymru.gov.uk](mailto:marine.advice@cyfoethnaturiolcymru.gov.uk).

Review:

- [guidance on marine development](https://naturalresources.wales/guidance-and-advice/business-sectors/marine/?lang=en) (<https://naturalresources.wales/guidance-and-advice/business-sectors/marine/?lang=en>) on the Natural Resources Wales website
- [guidance on Marine Protected Areas](https://www.gov.wales/marine-protected-areas-0) (<https://www.gov.wales/marine-protected-areas-0>) on the Welsh Government website

## Northern Ireland inshore

Contact the Department of Agriculture, Environment and Rural Affairs (DAERA) at [marineconservation@daera-ni.gov.uk](mailto:marineconservation@daera-ni.gov.uk)

Read DAERA's [Marine Plan for Northern Ireland](https://www.daera-ni.gov.uk/articles/marine-plan-northern-ireland) (<https://www.daera-ni.gov.uk/articles/marine-plan-northern-ireland>).

## Offshore waters

For initial enquiries regarding plans and projects impacting English offshore waters, contact Natural England at [enquiries@naturalengland.org.uk](mailto:enquiries@naturalengland.org.uk).

For initial enquiries regarding impacts on Welsh and Northern Ireland offshore waters, contact the Joint Nature Conservation Committee's (JNCC) offshore industry advice team at [OIA@jncc.gov.uk](mailto:OIA@jncc.gov.uk).

JNCC has further advice on considering the impacts to inshore and offshore protected sites and features.

Read more in the JNCC website for:

- [MPA advice](https://jncc.gov.uk/advice/marine-protected-areas/) (<https://jncc.gov.uk/advice/marine-protected-areas/>)
- [offshore MPAs information](https://jncc.gov.uk/our-work/offshore-mpas/) (<https://jncc.gov.uk/our-work/offshore-mpas/>)
- [detailed discretionary nature conservation advice](https://jncc.gov.uk/our-work/discretionary-advice-service/) (<https://jncc.gov.uk/our-work/discretionary-advice-service/>)

## Avoiding, reducing and mitigating environmental impacts

You should only consider compensatory measures once you have applied the mitigation hierarchy and exhausted all options to avoid, reduce and mitigate impacts.

The mitigation hierarchy is set out below and should be worked through in a sequential manner, exhausting the possibilities at one level before considering the next and recording evidence of having gone through this process.

1. Avoid - taking action to prevent an impact from occurring
2. Reduce - taking action to minimise an impact to a non-significant level
3. Mitigate - taking action to lessen the consequences of an impact that cannot be avoided or reduced

The relevant SNCB should be consulted early on the assessed level of adverse effects and the identification of appropriate mitigation measures for these.

Following pre-application engagement with the relevant SNCBs, applicants who identify a potential need for compensatory measures should use this guidance to identify appropriate compensatory measures.

## **Marine Irreplaceable Habitats (MIH)**

Marine Irreplaceable Habitats (MIH) are marine habitats which are particularly difficult to replace or replicate. As a result, you should identify potential adverse effects on any MIH and seek SNCB advice on their avoidance, reduction and mitigation as early as possible.

Where compensatory measures are required, SNCBs will provide advice in line with the compensation hierarchy. It is advisable to allow time for these discussions as part of the consenting process.

For further information, refer to the [Defining Irreplaceable Marine Habitats report \(https://publications.naturalengland.org.uk/publication/6712103688470528\)](https://publications.naturalengland.org.uk/publication/6712103688470528), which can be used to identify and understand MIH in England.

MIH guidance currently applies in English waters only. Please consult DAERA or Natural Resources Wales (NRW) for advice on irreplaceable habitats in these areas.

## **Small impacts**

Small impacts may cause an adverse effect either alone or in combination with other plans and projects. To compensate for the adverse effect of small impacts from offshore wind activity, the compensation hierarchy must be applied, and the same considerations apply as they do to compensating for other adverse effects.

Circumstances where small impacts from a plan or project may on their own result in an adverse effect on site integrity may include:

- the site or feature is already in poor condition and failing to meet conservation objectives for the impacted feature
- the site or feature is rare or highly sensitive, for example a marine irreplaceable habitat
- there are high levels of uncertainty over predicted adverse effects due to poor data availability in relation to the proposed plan or project and other offshore wind activity impacting the site

In some cases, small impacts may, in combination with other offshore wind activity, result in an adverse effect on site integrity.

We recommend engagement at pre-application stage with SNCBs to assess options for mitigation. This may reduce the need for compensatory measures or help identify alternative ways to address in-combination effects.

If compensatory measures are required for small impacts, you should consider [applying to the Marine Recovery Fund \(https://www.gov.uk/guidance/marine-recovery-fund-how-to-apply\)](https://www.gov.uk/guidance/marine-recovery-fund-how-to-apply).

## How to use the guidance

When preparing your application for your plan or project, you should develop your compensation proposals as early as possible, taking account of SNCB advice. You should set these out clearly in your application documents, such as in a compensation plan.

The Habitats Regulations require compensatory measures for relevant offshore wind activity to be selected in accordance with the compensation hierarchy. This sets out 3 tiers of compensatory measures in the order in which they must be considered.

You must prioritise tier 1 measures, subject to certain circumstances, and move through the tiers of the compensation hierarchy sequentially.

The tiers in order of priority are:

- tier 1 – compensatory measures that provide ecological benefits to the impacted feature
- tier 2 – compensatory measures that provide ecological benefits to features, or groups of features, which are ecologically similar to the impacted feature
- tier 3 – compensatory measures that provide ecological benefits to the UK MPA network more widely

Read Part 2: Compensation hierarchy and evidence required

(<https://www.gov.uk/government/publications/offshore-wind-compensating-for-environmental-harm/part-2-compensation-hierarchy-and-evidence-required-offshore-wind>) for more information on the tiers and how to progress through them.

When considering potential compensatory measures, you should note that:

- tier 1 measures may be measures approved in the library but they do not have to come from it - they can also be proposed by a plan or project as part of their compensation plan, without involvement of the library
- tier 2 and 3 measures must be measures approved in the library - you can only propose a tier 2 or 3 measure as part of your compensation plan that is included in the library

You can propose a measure of any tier to be included in the library – we provide more detail on this later in the guidance.

Whether or not a measure is in the library has relevance to how you use this guidance. This is because the library contains certain information about the measures within it.

In all cases, you should consider the guidance in full and provide all relevant information as part of your compensation plan. When using a library measure, the library will include information on the measure. You should reflect this information in your compensation plan.

For example, the Implementation and Monitoring Plan (IMP) provided by the library for each measure will specify what feature or features may benefit from the measure. This may be considered as sufficient evidence that the measure will provide the required benefits to the feature or features targeted, however, in some cases, additional evidence may be required.

The library does not replace the need for case-specific evidence and justification. You should provide the relevant information to support the measures you are proposing in relation to the impacts of your plan or project,

and with advice from SNCBs. You can read more about the information and evidence you should provide to the consenting authority in Part 2: Compensation hierarchy and evidence required (<https://www.gov.uk/government/publications/offshore-wind-compensating-for-environmental-harm/part-2-compensation-hierarchy-and-evidence-required-offshore-wind>).

For all compensatory measures, including where you propose using a library measure, the appropriateness of a compensatory measure for the adverse effect of a plan or project will be decided by the consenting authority. They will take into account the information included in the compensation plan and advice from SNCBs.

## **The library of strategic compensatory measures (the library)**

The library is a collection of approved environmental compensatory measures and is led by Defra, in collaboration with other stakeholders. Compensatory measures in the library can be proposed as environmental compensatory measures for the unavoidable adverse effects of relevant offshore wind activity to SACs, SPAs, and Ramsar sites. Strategic compensatory measures will only be entered into the library once approved by the relevant minister.

In deciding whether to approve strategic compensatory measures, the relevant minister will consider all relevant advice. This includes advice that has been provided as part of the measure's development, such as that from SNCBs and other relevant parties. Once approved, these measures will be included in the library. You can only use tier 2 and 3 strategic compensatory measures that have been approved and included in the library. At tier 1, whilst it is an option to use an approved library measure, there is no requirement to do so.

The final decision on the appropriateness of any compensatory measure, including those taken from the library, for the adverse effect of a plan or project rests with the consenting authority.

## **Using the information provided in the library for a plan or project**

If a compensatory measure is approved for the library, the relevant minister will publish a summary of information on the measure. This summary will include:

- how the measure delivers a benefit to the relevant feature in the UK MPA network or to the UK MPA network more widely - at the point of their approval and entry into the library, strategic compensatory measures are supported by the best available scientific evidence
- what feature or features may benefit from the compensatory measure - it may specify what features could be considered 'ecologically similar' to the impacted feature
- whether the measure is available and where the measure may be delivered (for example, whether a measure can be delivered in Welsh waters) as well as any conditions or restrictions on its use
- whether the measure is available to use through the Marine Recovery Fund (<https://www.gov.uk/guidance/marine-recovery-fund-how-to-apply>)
- an Implementation and Monitoring Plan (IMP) will be made available once it is developed

## **Proposing a strategic compensatory measure for inclusion within the library**

Strategic compensatory measures within the library will be developed with the involvement of stakeholders. Any interested stakeholder can propose new strategic compensatory measures for inclusion in the library via a Defra-managed process. If a measure is agreed for exploration, then it will be assessed on:

- ecological efficacy
- feasibility
- ability to be delivered strategically (for example, to compensate for more than one plan or project)

A compensatory measure must be approved by the relevant minister before it is added to the library.

To propose a measure as a plan or project promoter, you should follow the process as outlined.

You should explore the potential measure or measures you are considering, ensuring they align with this guidance. The information about your proposed

measure or measures could include:

- the ecological benefits that the proposed measure or measures will provide to one or more features in the UK MPA network or the UK MPA network more widely and evidence to support this
- a brief explanation of why or how the proposed measure or measures would be additional to normal site management practices
- the potential techniques for monitoring the effectiveness of the measure or measures

You can read more about this in [Part 2: Compensation hierarchy and evidence required \(https://www.gov.uk/government/publications/offshore-wind-compensating-for-environmental-harm/part-2-compensation-hierarchy-and-evidence-required-offshore-wind\)](https://www.gov.uk/government/publications/offshore-wind-compensating-for-environmental-harm/part-2-compensation-hierarchy-and-evidence-required-offshore-wind).

If appropriate, your proposed measure will be discussed and developed within expert groups. Expert groups are formed of government, SNCBs, and other relevant stakeholders. The compensatory measure may then be considered by the relevant ministers for approval into the library. Please note that all suggested measures will be subject to prioritisation and are not guaranteed for progression.

If a strategic measure is added to the library, you can then propose using it to compensate for the adverse effects of your plan or project.

## Using the Marine Recovery Fund (MRF)

The [Marine Recovery Fund \(https://www.gov.uk/government/collections/marine-recovery-fund\)](https://www.gov.uk/government/collections/marine-recovery-fund) (MRF) is a government-managed fund that plan and project promoters can pay into to secure appropriate and strategic compensatory measures to compensate for the adverse effects of offshore wind plans and projects on MPAs.

The MRF can be used to deliver compensatory measures at all tiers.

MRF-delivered measures are typically strategic, delivered at scale, and require coordinated planning. For tier 2 and 3 compensatory measures, it is expected that you will apply to the MRF.

You should contact the MRF Operator (MRFO) at the earliest opportunity to express your interest in using it. You can [read more about applying to the MRF \(https://www.gov.uk/guidance/marine-recovery-fund-how-to-apply\)](https://www.gov.uk/guidance/marine-recovery-fund-how-to-apply).

The MRF application and operational processes will evolve as measures are added to the library and made available for delivery via the MRF. They will also evolve in line with future policy changes and initiatives to ensure that the MRF continues to deliver on its objectives.

## **Further considerations when identifying and developing compensatory measures**

### **Check that your compensatory measures are additional**

You should demonstrate that compensatory measures at all tiers are additional to normal practice for managing the site or sites that will benefit from the measure. If a measure is not additional, it is not appropriate as a compensatory measure.

### **Timing of compensation**

There may be circumstances where the consenting authority allows the adverse effect to occur before the compensatory measure is in place and functional. If you consider there to be a justification for using a compensatory measure that will not be in place and functional before the adverse effect occurs, you should provide a reasoned case for the consenting authority.

### **Monitoring and adaptive management**

Once compensatory measures are agreed, they will be monitored to ensure they are delivering their expected outcomes throughout the plan or project's lifetime. If monitoring reveals that compensatory measures are not performing as expected, the consent conditions will require the implementation of adaptive management.

# Guidance checklist

Make sure you have:

- identified impacts including whether they are small impacts or to marine irreplaceable habitats
- identified and considered cross border impacts
- applied the mitigation hierarchy before proceeding to considering compensatory measures
- sought advice from SNCBs as part of your pre-application engagement
- provided an evidence-based reasoned case where you wish to progress through the compensation hierarchy

For library measures, information provided by the library may be relevant to your reasoned case, for example whether there are available measures within the library, and evidence that a measure is ecologically effective. However, additional information may be required.

- provided the necessary level of detail on your proposed compensatory measures, including evidence of delivering benefit to the relevant feature or the UK MPA network, detailed compensation success criteria, plans for implementation, monitoring and adaptive management

For library measures, summary information and the Implementation and Monitoring Plan provided by the library will be relevant to the detail on your selected compensatory measure. However, additional information may be required.

- provided the necessary evidence for the consenting authority to be able to conclude that the benefit of the compensatory measure or measures to be delivered will be reasonably proportionate to the predicted adverse effect
- demonstrated that measures will be additional to normal practice for site management

## Part 2: Compensation hierarchy and evidence required

Read Part 2 of this guidance (<https://www.gov.uk/government/publications/offshore-wind-compensating-for-environmental-harm/part-2-compensation-hierarchy-and-evidence-required-offshore-wind>) for more details on:

- using the compensation hierarchy
- providing appropriate evidence in a compensation proposal



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