

Title: Guidance for MPA assessments Date: 25th July 2023 BRU No: N/A Lead department or agency: Department for Environment Food and Rural Affairs (Defra) Other departments or agencies: N/A		De-Minimus Assessment (DMA)	
		Stage: Consultation	
		Source of intervention: Domestic	
		Type of measure: Other	
Summary: Rationale and Options		Contact for enquiries: Jessica.Bridgland@defra.gov.uk – economist Zoe.Gorvett@defra.gov.uk – policy	
Total Net Present Value <small>(2020 prices and 2023 present value)</small> -£0.12m – -£0.29m <small>(Present Value Cost - benefits not monetised)</small>	Business Net Present Value <small>(2020 prices and 2023 present value)</small> -£0.016m – -£0.037m <small>(Present Value Cost – benefits not monetised)</small>	Net cost to business per year <small>(EANDCB in 2019 prices and 2020 present value)</small> £0.002m – £0.003m	

Rationale for intervention and intended outcomes

For the purpose of this De Minimus Assessment (DMA), the options we are considering are applicable to England only.

The British Energy Security Strategy (BESS)¹ outlines the Government's ambition to generate up to 50 gigawatts (GW) of Offshore Wind (OSW) power by 2030, including 5GW of floating OSW. It is Defra's objective to support the accelerated deployment of OSW, whilst enhancing and protecting the marine environment.

OSW developers are required to consider the environmental impacts of their projects on Marine Protected Areas (MPAs). This information is scrutinised by the decision-maker, who subsequently undertakes an MPA assessment before deciding whether to consent to the windfarm. The issue with the current MPA assessment process, as set out in paragraph 9, is that there are inefficient elements which lead to delays in the consenting process (the decision-making process for Nationally Significant Infrastructure Projects) such as, carrying out assessments and identifying compensation at project level. Government intervention is required to correct existing inefficiencies, improve the process and accelerate the consenting process for OSW projects to meet the Government's up to 50GW ambition and ensure environmental impacts from OSW on marine protected areas are internalised.

We have two routes for delivering MPA assessment improvements; issuing revised guidance for the current assessment process and delivering legislative change for OSW developments through the powers outlined in the draft Energy Bill². We are consulting on guidance.

1. MPA assessment guidance

The purpose of the guidance is to provide clarity on the existing process and help to resolve the current issues which lead to delays in the consenting process. Whilst guidance is not often seen as a regulatory provision, it will clarify the meaning of key terms and principles used in the process, with an expectation for industry to follow it. Therefore, this policy is in scope of a DMA.

The purpose of the consultation is to consult on key terms and principles to be included in the guidance. This DMA only considers the impact of the revised MPA assessment guidance.

¹ [British Energy Security Strategy \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

² [Energy Bill \[HL\] - Parliamentary Bills - UK Parliament](#)

Describe the policy options considered

This DMA considers the following policy options:

- **Option 0 – Do Nothing** – provide no additional guidance to the current MPA assessment process. This is our baseline as this is the scenario that would occur without Government intervention.
- **Option 1 – Guidance on current MPA assessment process (preferred)** – to provide clarity and guidance to public authorities and marine industries and developers (including OSW developers) on the key MPA assessment terms and principles and how they should be considered. Although this is a guidance option and does not involve legislation, we expect industry will follow the guidance in order to gain consent in a reasonable amount of time and avoid legal challenge to decisions. The option is therefore considered as a regulatory provision under the Better Regulations framework.

It was considered that a non-regulatory option would not be feasible in delivering our aim to improve the current MPA assessment process. The problem under consideration can only be solved by Government-led regulation because the issue relates to the interpretation of existing legislation and case law, and any industry-led or non-regulatory options could lead to misinterpretation. We have therefore only considered option 0 and 1, with the potential to go further with legislative changes using the powers in the draft Energy Bill.

Rationale for De Minimus rating

The cost to industry for the preferred Option 1 will be familiarisation costs, where industry will have to read and get to grips with the new interpretation of the legislation. We do not expect there to be any other direct costs to business, as the measures are due to make the process more efficient and less burdensome for industry (i.e., it will benefit them). This means that a DMA approach to assessment rather than a full impact assessment is appropriate because the Equivalent Annual Net Direct Cost to Business is expected to be significantly less than £5m, with the high estimate at £0.003m.

Will the policy be reviewed? No		If applicable, set review date: N/A		
Are these organisations in scope?	Micro No	Small Yes	Medium Yes	Large Yes

Senior Policy Sign-off:	<input type="checkbox"/>	Date:	DD/MM/YYYY
Peer Review Sign-off:	<input type="checkbox"/>	Date:	DD/MM/YYYY
Better Regulation Unit Sign-off:	<input type="checkbox"/>	Date:	DD/MM/YYYY

1.0 Policy Rationale

Policy background

1. On 7th April 2022, the BESS announced an ambition to produce up to 50GW of OSW power by 2030, including 5GW of floating OSW, to support our climate change commitments and provide greater energy security. This is a large increase from the current offshore wind GW operating capacity in the UK which is around 14GW¹. It is a necessary increase if we are to deliver net zero by 2050².
2. The Government has various domestic policies in place seeking to protect and recover the marine environment. These include the Environmental Improvement Plan³, the UK Marine Strategy⁴, and the 2021 Environment Act⁵. The UK is also a signatory to key international environmental commitments such as the Oslo and Paris Convention (OSPAR) agreement to establish a well-managed, ecologically coherent network of MPAs in the North-East Atlantic. The scale and speed of OSW expansion risks having a significant negative impact on the UK's environmental objectives. It is therefore vital these impacts are avoided, reduced and mitigated wherever possible, and otherwise compensated for, in order to balance OSW expansion with environmental objectives.
3. Defra is developing an Offshore Wind Environmental Improvement Package (OWEIP), to support the accelerated deployment of OSW, whilst enhancing and protecting the marine environment. As part of OWEIP, Defra is reviewing the MPA assessment process, an assessment which decision-makers are required to carry out, to consider the environmental impacts of a project on MPAs, as discussed earlier.
4. Reform of the MPA assessment process to speed up the consenting process for OSW will be achieved through issuing revised guidance for the current assessment process and delivering legislative change for OSW developments through the powers outlined in the draft Energy Bill⁶. This DMA only considers the impact of option 1 - revised MPA assessment guidance.

MPA assessment guidance

5. **Habitats Regulations Assessment (HRA)** is a sequential assessment under the Habitats Regulations to test whether a plan or project could have a significant effect on a protected site (in the marine environment, these are designated as Special Areas of Conservation (SAC) or Special Protection Areas (SPA) under the Habitats Regulations) or the integrity of the National Site Network. If the HRA concludes that it is not possible to rule out an adverse effect, the consenting authority must demonstrate that the plan or project has overriding public interest and that there are no alternative solutions to avoid, reduce or mitigate the effects of concern. If these tests are passed, compensatory measures must be secured for the plan or project to be approved. Compensatory measures can either be provided by developers at a project level or by plan promoters at plan level (the latter approach is currently being developed). The offshore wind (OSW) industry is subject to HRA processes but the current approach to assessment results in issues being raised and addressed late in the planning process, which is inefficient and results in delays to consent which could be avoided

¹ [Energy Trends: UK renewables - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/energy-trends-uk-renewables) gives figures of 13.9GW as at the end of Q4 2022.

² [net-zero-strategy-beis.pdf \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/104442/net-zero-strategy-beis.pdf)

³ [Environmental Improvement Plan \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/104442/environmental-improvement-plan.pdf)

⁴ [Marine Strategy Part One: UK updated assessment and Good Environmental Status \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/104442/marine-strategy-part-one-uk-updated-assessment-and-good-environmental-status.pdf)

⁵ [Environment Act 2021 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukpga/2021/12/section/1)

⁶ [Energy Bill \[HL\] - Parliamentary Bills - UK Parliament](https://www.parliament.uk/bills/2022/energy-bill)

6. There is a parallel **Marine Conservation Zone (MCZ) assessment** process for assessing adverse effects to protected sites designated as MCZs, as set out in the Marine and Coastal Access Act 2009 (MCAA), which tests whether the public benefit of a plan or project being taken forward clearly outweighs likely environmental damage. The plan or project promoter must then provide measures of equivalent environmental benefit (MEEB) to offset the predicted adverse effect, which is parallel to compensatory measures in HRA.
7. In 2021 we consulted on draft best practice guidance⁷ for developing compensatory measures (measures which are required when the adverse effects of a project cannot be avoided or mitigated) in relation to Marine Protected Areas (SPAs, SACs and MCZs). We withheld publication in 2022 to allow changes due to BESS to be incorporated, but we intend to publish a revised version of this guidance by the end of 2023.
8. The revised guidance document will provide clarity on key terms and principles, such as protecting coherence of the network and a 'compensation hierarchy', to support developers with identifying sufficient compensatory measures and in turn, reduce delays in the decision making/ consenting process.

⁷ [Best practice guidance for developing compensatory measures in relation to Marine Protected Areas \(defra.gov.uk\)](https://www.defra.gov.uk)

Problem under consideration

9. The MPA assessment process (for HRAs and MCZ assessments) causes delays to the decision-making processes for OSW development. No offshore wind farm Development Consent Order (DCO) application has been approved within the statutory timetable since January 2019⁸. There are a number of problems associated with the current process which do not support the acceleration of OSW.

- Developers and statutory nature conservation bodies (SNCBs) are taking longer to identify suitable compensatory measures for their anticipated impact which meet the requirements of the regulations. The time it takes from submitting an application to it being granted have increased, going significantly beyond the statutory timeframe of 18 months, with Hornsea 3 offshore wind farm taking 32 weeks from application to Development Consent Order (DCO)⁸. This is due to difficulties in identifying measures targeted at the protected site features at risk (as required by the regulations) and an overly precautionary interpretation of 'additionality'⁹.
- Compensation is often identified at 'project level'¹⁰ for individual OSW projects, rather than at a 'plan level'¹¹, which doesn't facilitate the use of strategic compensation which may be more effective. For MCZs, we've received feedback from individual developers on specific projects that they are reluctant to carry assessments out at a plan level, due to the lack of legal requirement. The Crown Estate have expressed similar views. This results in impacts to sites being identified later in the process which leads to delays due to the difficulties in identifying compensatory measures.
- There is also uncertainty surrounding the definition of MEEB because this stage of the MCZ assessment process hasn't been tested in previous planning and consent applications. This lack of precedent and uncertainty could lead to delays when identifying suitable compensatory measures.
- Compensation for a project's expected impact must usually be in place (when compensatory measures are accepted by DESNZ SoS) before the impact occurs. This can delay development if construction can't begin until sufficient compensation has been delivered. There is no existing guidance on adaptive management¹². It is where a measure is monitored and evaluated against its objectives and then reviewed and adapted where necessary. The lack of guidance risks inadequate compensatory measures being accepted without a plan to monitor their effectiveness and amend them if necessary.
- Current EU case law (Case C-323/17 People Over Wind & Peter Sweetman v Coillte Teoranta ('People over Wind')) sets a precedent that mitigation measures can only be considered later in the process. This lengthens the overall assessment process for applications, because some proposals may not need to progress further with their assessment if mitigation is considered earlier.

10. Due to the problems associated with the current process, there are a number of OSW projects which are currently 'stuck' and cannot proceed to development until they have met the conditions of their DCO. For example, projects which received consent in 2021/2022 are struggling to meet

⁸ [Independent report of the Offshore Wind Champion \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

⁹ The principle that compensatory measures should be additional to measures Government can 'reasonably be expected' to take.

¹⁰ A 'project' can be any activity or a number of activities that either needs a new or renewed permission from a competent authority before it goes ahead, or that a competent authority proposes to carry out itself.

¹¹ A 'plan' sets out where future activities or developments should take place within a certain area e.g., marine spatial plans.

¹² Adaptive management is the process used to demonstrate that measures have delivered effective measures when faced with uncertainty.

their DCO conditions as a result of difficulties in identifying sufficient compensatory measures. This results in delays to the rollout of OSW and our ability to move towards net zero.

Rationale for intervention

11. The revised MPA assessment guidance seeks to address multiple market failures and inefficiencies:

- **Correcting inefficiencies created from current Government intervention.** The MPA assessment process was designed to protect the marine environment whilst allowing development to take place. However, the interpretation of the current process and associated regulations have resulted in time delays for OSW developments.
- **Correcting inefficiencies arising from a lack of clear information (information failure).** A lack of clear information about the current process has allowed incorrect and inconsistent interpretations of existing guidance to arise. This has created inefficiencies in the process which are causing delays to consenting and therefore an underproduction of OSW energy.
- **Speeding up national Energy Security (quasi-public good) and clean energy rollout (reducing negative externalities from greenhouse gas emissions).** Speeding up the delivery of OSW supports national energy security and net zero objectives. National energy security is a quasi-public good where it is non-excludable (cannot prevent individuals from benefitting from it) and without Government intervention is likely to be underprovided. The overarching rationale behind government action to decarbonise energy is to correct the negative externalities of emissions (which without intervention will be overproduced) and to adhere to the Environmental Principles of 'rectification at source', 'integration' and 'prevention
- **Ensure environmental impacts from OSW on marine protected areas are internalised (correcting for a negative externality).** The construction of OSW can impact the marine environment and marine ecosystems, including MPAs. Providing clarity on the MPA assessment process will ensure the regulations are proportionately interpreted and ensure developments don't negatively impact the MPA network. This is also in line with the 'polluter pays'¹³ and 'integration' Environmental Principles.

Policy objective

12. Our overarching objective for this policy is to support the delivery of the Government ambitions outlined in BESS for the expansion of OSW development in UK waters, whilst ensuring the marine environment is protected.

MPA assessment guidance

13. The aim of the MPA assessment guidance is to assist regulators, public bodies, SNCBs, and marine industries and developers with interpreting the current legislative framework for MPA assessments in the marine environment, and in particular, support Round 3 and 4 OSW leasing round projects¹⁴ through the consenting process. This will be achieved through the following objectives:

- Provide clarity on key terms, such as protecting the coherence of the network and 'additionality', to advise on how to identify and secure compensatory measures which comply with the regulation principles.

¹³ One of five Environmental Principles: the polluter pays principle means that, where possible, the costs of pollution should be borne by those who are causing it, rather than the person who suffers the effects of the resulting environmental damage, or the wider community.

¹⁴ The Crown Estate run leasing rounds to lease areas of the seabed for OSW development, with round 4 being the most recent.

- Define a compensation hierarchy, to help developers and SNCBs with the identification of suitable compensation.
- Outline policy principles on issues such as timing of compensation delivery and mitigation measures, to clarify when compensation should be delivered and when applicants should consider mitigation measures.

14. The guidance is part of the OWEIP package and contributes towards meeting our overarching policy objective to unlock the barriers to OSW development whilst protecting the marine environment.

Options considered

15. It was considered that a **non-regulatory option would not be feasible** in delivering our aim to improve the current MPA assessment process. The problem under consideration can only be solved by Government led regulation because the issue relates to the interpretation of existing legislation, and any industry-led or non-regulatory options could lead to misinterpretation. We have therefore only considered option 0 and 1, with the potential to go further with legislative changes using the powers in the draft Energy Bill.

16. **Option 0 – Do Nothing** – provide no additional guidance to the current MPA assessment process. This is our baseline as this is the scenario that would occur without Government intervention.

- OSW projects would continue to face delays with their applications and in turn, the Government would not meet its up to 50GW by 2030 ambition.

17. **Option 1 – Guidance on current MPA assessment process (preferred)** – to provide clarity to public authorities and marine industries and developers (including OSW developers) on the key MPA assessment terms and principles to help resolve some of the issues with the current MPA assessment process. The guidance will include clarification on the following:

- Protecting coherence of the network, MCZs, a compensation hierarchy, ‘additionality’, baseline condition of MPAs and timing of compensation delivery, to help developers and SNCBs with the identification and implementation of sufficient compensatory measures.
- Applying plan level compensation at a project level, to ensure compensatory measures are considered as early as possible. This allows issues associated with securing compensatory measures to be identified and worked through earlier in the process and facilitates the use of strategic measures which may be more effective and more cost effective than project level measures.
- Adaptive management, to account for the uncertainty associated with identifying sufficient compensatory measures in the marine environment and ensure they are effective. This enables flexibility in the compensatory measures accepted.
- Mitigation measures, to reiterate when applicants should consider mitigation measures and encourage them to incorporate measures or standards into their project design to avoid or reduce their impact.
- Energy Policy Statement, to outline how the draft National Policy Statement EN-3¹⁵ for Renewable Energy Infrastructure interacts with the MPA assessment process.

2.0 Rationale for De Minimis Rating

¹⁵ [NPS EN-3 - Renewable energy infrastructure \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/714442/nps-en-3-renewable-energy-infrastructure.pdf)

18. The main cost to industry will be familiarisation costs, where they will have to read and get to grips with the new interpretation of the legislation. We do not expect there to be any other direct costs to business, as the measures are due to make the process more efficient and less burdensome for industry (i.e., it will benefit them). The OSW industry are aware of plans to update the guidance and engagement workshops are being run during the consultation to mitigate the risk of any unexpected costs being incurred. This means that a de-minimis approach to assessment rather than a full impact assessment is appropriate because the Equivalent Annual Net Direct Cost to Business is expected to be significantly less than £5m, with the high estimate at £0.003m.

3.0 Costs and Benefits

Option 0 – Do Nothing

19. This is not preferred as the problems under consideration would still compound and lead to stalled developments in the short-medium term. There is no benefit to this option.

Option 1 – Guidance on current MPA assessment process (preferred)

20. The MPA assessment guidance provides clarity in interpreting the existing regulations. As the geographical scope of the guidance is England, the costs and benefits assess industry operating in England only. We expect the current impacts to be realised:

Costs

Monetised Costs

21. Transition cost: Familiarisation cost to industry (direct cost):

- Familiarisation costs help us estimate the cost of implementing regulation (e.g. it could be the cost of updating IT systems or training etc.). For preferred Option 1, we assumed that the familiarisation cost would be the cost of disseminating information throughout the business by reading technical guidance. We assumed that this would be a one-off cost occurring in the year the guidance was introduced, and was calculated using the following equation:

Familiarisation Cost

$$= \text{No. employees effected} \times \text{time taken to familiarise} \times \text{wage} \times \text{non wage uplift}$$

It is also possible that this cost is not realised, for example, as marine compensatory requirements are novel to industry, the familiarisation cost may already be incurred without the introduction of the Defra measures. In fact, the guidance could reduce the familiarisation cost to industry by simplifying their requirements.

This cost was calculated for OSW developers¹⁶, but was not calculated explicitly for other stakeholders, such as plan promoters but we would expect the cost to be similar or less, as they will likely consist of a few individuals who work across different Leasing Area plans. As per Regulatory Policy Committee (RPC) guidance, the familiarisation cost was calculated using 2020 prices and 2023 Present Value at the HMT 3.5% discount rate.

Table 1 – Discounted familiarisation costs to offshore developers operating in England

Familiarisation cost	Total costs (£)
High-cost scenario	37,000
Low-cost scenario	16,000

¹⁶ A high and low range was determined, by estimating that between 2 and 4 employees of OSW developers would need to become familiar with new guidance. These values were then multiplied by the number of OSW developers currently operating (44 firms, with an estimated range of 40-45% English projects) to determine industry wide familiarisation costs. In reality this is likely to be lower as OSW developers tend to use the same consultants for environmental matters.

22. Although we do not expect any other costs to be incurred by industry, there are other costs:

23. Government resourcing (direct cost):

- There will be costs to government associated with any ongoing policy updates and for consulting on further changes to guidance. We have assumed that this will be an ongoing cost requiring core Defra resource as well as externally contracted legal resource paid for by Defra¹⁷. An indicative estimate of this cost over the appraisal period is shown in Table 2.

Table 2 – Discounted government resourcing costs

Familiarisation cost	Total costs (£)
High-cost scenario	250,000
Low-cost scenario	104,000

Unmonetised Cost

24. SNCB effort/cost of providing advice:

- There is a moderate possibility of additional costs to SNCBs due to the new guidance widening the scope of sufficient compensatory measures and SNCBs needing to advise on them. These costs would consist of employee time and resources.

Benefits

Monetised Benefits

25. Benefits have not been monetised due to time constraints and complexity of analysis required (noting this is a proportionate DMA). Analysis is expected to be complex due to the nature of the consenting process and the number of stages in the process which could be shortened by the updated guidance. However, the benefits have been qualitatively assessed below and are expected to significantly outweigh costs.

Unmonetised Benefits

26. There are multiple unmonetised benefits, such as:

27. Possible increased OSW industry revenue from quicker rollout of OSW (direct benefit):

- It is possible that the Defra policy Option 1 could increase the present value of industry revenue. The measures aim to decrease consenting time, allowing for a quicker rollout of OSW in the short run. These measures could therefore lead to an increase in revenue in the short run as more OSW energy is produced, but this will depend on other factors such as the wholesale price of electricity and the strike price developers secure in future Contract for Difference auctions.¹⁸ This analysis has not been quantified for the DMA as it would require detailed analysis of all current and future policy measures, which are currently highly uncertain, and an understanding of how they contribute to precise time savings in the OSW development process.

28. Carbon savings (indirect benefit):

¹⁷ Based on Defra policy decision, core Defra time has been estimated as 1-3 months per year over the appraisal period and external legal resource was estimated to be 1-2 months per year. As per RPC guidance, the government cost was calculated using 2020 prices and 2023 Present Value at the HMT 3.5% discount rate.

¹⁸ A CFD is a legally binding agreement between a "buyer" and a "seller", requiring that the buyer will pay to the seller the difference between the current value of an asset and its value at contract time. Developers of OFW projects bid for the CfD contracts in competitive auctions where the Government sets out a pot of money for the auction in advance. The lowest bids are all accepted until the maximum budget has been reached.

- OSW is crucial in supporting the decarbonisation of the power sector and rolling out more offshore would help deliver on the UK's carbon commitments and importantly help mitigate against delivery risks. Through cutting down the time it takes to deliver an OSW development, and therefore increasing the likelihood of delivering more OSW capacity more quickly, the policies assessed are assumed to increase the likelihood and speed of delivering a fully decarbonised power sector.

29. Ensure compensatory measures protect the coherence of the 'network' – ecosystem service (indirect benefit)

- An ecologically coherent MPA network will protect multiple habitats and species and support the biodiversity of our seas. Ensuring the coherence of the network is maintained will provide greater resilience of marine ecosystems to pressures such as climate change, and continue to provide ecosystem services such as supporting species of commercial value.

Business Impact Target Calculations (*)

30. As per RPC guidance, the annual direct cost to business was calculated using 2019 prices and 2020 Present Value at the HMT 3.5% discount rate. Using the standard 10-year appraisal period according to Green Book guidance, the EANDCB for this policy is a low estimate of £0.002m and a high estimate of £0.003m, and the BIT is a low estimate of £0.008m and a high estimate of £0.017m.

Risks and unintended consequences

31. There is a risk that the guidance will not have the intended impact if the audience don't understand the key terms and principles, meaning that the benefits are 0 but familiarisation costs remain high. However, the likelihood of this happening is very low as we are testing these definitions and key terms through the consultation.
32. There is also a risk of unintended consequences on how the habitats regulations are applied terrestrially. The guidance focuses on compensatory measures in the marine environment however, the key terms and principles are also relevant to the habitats regulations applied terrestrially.

Wider impacts

33. We do not anticipate any direct wider impacts from the preferred policy option (e.g., related to the equalities and justice impact tests), however there are possible indirect wider impacts discussed below.

Trade Impact

34. The policy options proposed through these measures are not expected to lead to a direct impact on investment and trade. However, if it contributes towards and enables an acceleration or increase in OSW deployment, there may be some indirect impacts. For example, an acceleration in OSW deployment could lead to a lower reliance on imports of electricity sources and/or an increase in their exports. However, this depends on global and domestic demand and supply conditions.

Impact on other industries

35. A quicker rollout of OSW from a shortened HRA process would require ports to upscale in order to host and coordinate a greater volume of OSW infrastructure before it is delivered offshore. This may indirectly impact the ports industry by reducing the time available to complete other obligations (e.g., marine licenses) and ensure supply chains are robust.
36. The updated guidance may indirectly benefit other users of the marine environment (e.g., the subsea cabling, marine aggregates and ports industries) that are also required to complete HRAs as they are likely to read and interpret the guidance.

Small and Micro Business Impact

37. A small business is defined in the Better Regulation framework manual as one employing fewer than 50 full-time equivalent employees, and a micro business as one employing up to 10 employees. Of the businesses listed as lead developers on projects which are currently under development in England, Ireland and Wales¹⁹, only one was found to be a small business with operations in England. Based on the familiarisation cost calculations shown in paragraph 21 and assuming the lower bound number of staff to be familiarised (two people per development), the total cost falling on small and micro businesses is expected to be £700. The updated guidance is expected to have a net positive effect on businesses, so small and micro businesses have not been excluded as this would likely put them at a disadvantage against larger competitors.

3.0 Post Implementation Review

Monitoring and evaluation

38. The guidance will need to be reviewed and updated following publication. For example, there are other aspects of the Offshore Wind Environmental Improvement Package, such as the marine recovery fund, which is closely linked to MPA assessment policy, and it will be important to outline and provide guidance on how the policies will interact once they have been developed. If legislative changes are made to the MPA assessment process for OSW using the powers (as currently drafted) in the energy bill (as outlined in the summary rationale), then the guidance will need to be updated to reflect these changes. We can consider feedback on the effectiveness of the guidance at the point we will need to update it.

39. As the policy is not on primary or secondary legislation, but a re-interpreting of existing legislation, we do not deem a Post Implementation Review as appropriate.

1. **Review status:** Please classify with an 'x' and provide any explanations below.

<input type="checkbox"/>	Sunset clause	<input type="checkbox"/>	Other review clause	<input type="checkbox"/>	Political commitment	<input type="checkbox"/>	Other reason	<input type="checkbox"/>	No plan to review
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Regulations to be reviewed every five years to ensure continued suitability.

2. **Expected review date** (month and year, xx/xx):

<input type="text"/>	<input type="text"/>	/	<input type="text"/>	<input type="text"/>	Five years from when the Regulations come into force
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3. **Rationale for PIR approach:**

Rationale for not conducting a PIR:

As the policy is not on primary or secondary legislation, we do not deem a Post Implementation Review as appropriate.

¹⁹ PowerPoint Presentation (thecrownestate.co.uk)