



Hornsea Project Four: Additional Application Information

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Statement of Common Ground between Hornsea Project Four and Natural England: Derogation Matters

Prepared Julian Carolan, Ørsted, September 2021
Checked Sarah Randal, Ørsted, September 2021
Accepted Francesca De Vita,, Ørsted, September 2021
Approved Julian Carolan, Ørsted, September 2021

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Signatories

| | |
|-----------------|------------------------|
| Signed | [Insert signature] |
| Name | |
| Position | |
| For | [Add stakeholder name] |

| | |
|-----------------|-------------------------------------|
| Signed | [Insert signature] |
| Name | |
| Position | |
| For | Orsted Hornsea Project Four Limited |

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| A | Efficacy of Compensation Measures Agreement Log |

1 Introduction

1.1 Reason for this document

1.1.1.1 This Statement of Common Ground (SoCG) has been prepared between Orsted Hornsea Project Four Limited ('the Applicant') and Natural England to set out the areas of agreement and disagreement between the two parties on Derogation and Compensation Matters in relation to the proposed Development Consent Order (DCO) application for the Hornsea Project Four offshore wind farm (hereafter 'Hornsea Four').

1.1.1.2 This SoCG covers Derogation and Compensation Matters only. Separate SoCG's have been prepared with Natural England on further relevant topics as set out in [Table 1](#) below.

Table 1 Summary of all SoCG sought with Natural England

| SoCG sought with Natural England | Document Reference |
|--|--------------------|
| SoCG between Hornsea Project Four and Natural England: Onshore Matters | F3.5 |
| SoCG between Hornsea Project Four and Natural England: Offshore and Intertidal Ornithology | Pending |
| SoCG between Hornsea Project Four and Natural England: Other Offshore Matters | Pending |

1.1.1.3 The need for a SoCG between the Applicant and Natural England is anticipated to be set out within the Rule 6 letter issued by the Planning Inspectorate (PINS) post-application of the Hornsea Four DCO.

1.1.1.4 Following detailed discussions undertaken through the Compensation Workshops and evidence submitted to supported these, the Applicant and Natural England have sought to progress a SoCG. It is the intention that this document will provide the PINS with a clear overview of the level of common ground between both parties at the point of DCO Application, in relation to Derogation and Compensation Matters. This document will facilitate further discussions between the Applicant and Natural England and the SoCG will be updated as discussions progress prior to and during the Hornsea Four DCO examination.

1.2 Approach to SoCG

1.2.1.1 The Applicant has provided information to support a Habitats Regulations Assessment (HRA) of Hornsea Four, specifically, an Appropriate Assessment (AA) documented in the Report to Inform an Appropriate Assessment ("the RIAA") (Volume 2, Annex 2: Report to Inform Appropriate Assessment). In accordance with the Habitats Regulations, the RIAA considers whether Hornsea Four could result in an Adverse Effect on Integrity ("AEI") on a

conservation site of European importance (European site), either alone or in-combination with other plans and projects.

- 1.2.1.2 The Applicant's evidence presented within the Report to Inform Appropriate Assessment (RIAA) concluded that Hornsea Four will not have an AEOI on any European site, either alone or in combination.
- 1.2.1.3 During the consideration of the Application for Hornsea Three Offshore Wind Farm (Hornsea Three), the Secretary of State (SoS) clarified the importance of i) identifying the potential for adverse impacts on the integrity of designated sites during the pre-application period and ii) considering the need for derogation of the Habitats Regulations during the examination, where there is potential for AEOI. The SoS further expected Applicants and statutory nature conservation bodies ("SNCBs") to engage constructively during the pre-application period and on these matters, including possible compensatory measures, for consideration during the examination. The SoS was clear that this requirement does not necessarily require that agreement is reached between the Applicant and the SNCBs on the potential for significant adverse impacts on designated sites and evidence relating to derogation can be provided on a "without prejudice" basis, as the final decision on such matters remains for the SoS.
- 1.2.1.4 The "without prejudice" Derogation Case forms part of the application for development consent. Its purpose is to provide, without prejudice, information to demonstrate that the Article 6 (4) derogation tests could be met for Hornsea Four if it is necessary to resort to them to authorise the project.
- 1.2.1.5 This SoCG therefore focusses on the "without prejudice" Derogation Case submitted with the Hornsea Four DCO Application.
- 1.2.1.6 The structure of this SoCG is as follows:
 - Section 1: Introduction;
 - Section 2: Consultation;
 - Section 3; Agreements Log; and
 - Section 4; Summary.

1.3 Overview of Hornsea Four Compensation Measures

- 1.3.1.1 The Hornsea Four compensation options being considered are:
 - **Offshore nesting:** the construction of an offshore artificial nest site or the repurposing of existing oil and gas assets to increase the annual recruitment of kittiwake and gannet into the regional population of the southern North Sea;
 - **Onshore nesting:** artificial nesting structure will be located within one of two search zones (one in East Suffolk, and the other from Clayton Bay to Blyth). The structures will be designed to accommodate nesting pairs of kittiwake and gannet;

- **Predator eradication:** Seabirds have a number of natural predators distributed across their range. The most prevalent predator to seabirds generally is rats, which the Applicant proposes to implement a predator eradication programme at selected guillemot and/ or razorbill breeding colonies, such as Guernsey and Alderney, Isles of Scilly, Rathlin Island;
- **Bycatch reduction:** the incidental capture of non-target species in fisheries – can present a significant pressure on seabird populations. The Applicant proposes to support the overall numbers of these birds through the reduction of bird bycatch in selected UK fisheries with connectivity to the national site network; and
- **Fish habitat enhancement:** Seagrass meadows are amongst the most productive marine habitats in the UK. Seagrass provides rich nursery habitat for a fifth of the world’s biggest fishing species including pollock, herring and whiting, meaning their restoration can improve prey availability.

2 Consultation

2.1 Summary of consultation with Natural England

- 2.1.1.1 The Applicant recognises the importance of engaging with the relevant stakeholders with respect to Article 6(4) and developing any potential compensation measures, as their knowledge is important. The Applicant has therefore sought to engage openly and transparently with the key stakeholders.
- 2.1.1.2 Consultation on the Derogation Provisions has been ongoing in the latter stages of the pre-application stage during the course of a series of online workshops. These online consultations were employed during the COVID-19 pandemic to substitute meetings in-person.
- 2.1.1.3 **Table 2** below summarises the consultation that the Applicant has undertaken with Natural England during the pre-application phase.
- 2.1.1.4 Natural England have provided their agreement in principle to the continuing development of the proposed Compensation Measures and do not require the Applicant to consider other compensation measures.

Table 2 Summary of pre-application consultation with Natural England

| Date | Form of consultation | Statutory/Non Statutory | Summary |
|------------------|--|-------------------------|---|
| [e.g 14/11/2019] | [Either; Meeting/Workshop/Letter /Consultation Response] | | [Include 1-2 sentences on the purpose of the meeting] |
| | | | |
| | | | |

3 Agreement Log

3.1 Overview

3.1.1.1 In order to easily identify whether a matter is 'agreed', 'not agreed' or an 'ongoing point of discussion', the colour coding system set out in **Table 3** below is used within the 'position' column of the following sections of this document.

Table 3 Position Status Key

| Position Status | Position Colour Coding |
|--|---------------------------------|
| Agreed The matter is considered to be agreed between the parties | Agreed |
| Not Agreed – no material impact The matter is not agreed between the parties, however the outcome of the approach taken by either the Applicant or Natural England is not considered to result in a material impact to the compensation. | Not Agreed – no material impact |
| Not Agreed – material impact The matter is not agreed between the parties and the outcome of the approach taken by either the Applicant or Natural England is considered to result in a material impact to compensation. | Not Agreed – material impact |
| Ongoing point of discussion The matter is neither 'agreed' nor 'not agreed' and is a matter where further discussion is required between the parties (e.g where documents are yet to be shared with Natural England). | Ongoing point of discussion |

3.1.1.2 Each agreement log table for each compensation option contains the following areas for agreement:

1. Efficacy of compensation measure (please see Agreement Log)
2. Timescale for delivery
3. Site selection, design, and construction
4. Monitoring and adaptive management
5. Decommissioning
6. Securing consents and agreements
7. DCO wording

3.2 Offshore nesting

Table 4 Agreement Log: Offshore nesting

| ID | Hornsea Fours Position | Natural England Position | Position Summary |
|----------------------------------|---|--|------------------|
| Efficacy of compensation measure | | | |
| [TBC] | [Insert statement of Applicants position on discussion point] | [Insert statement of stakeholder position on discussion point] | Agreed |

| | | | |
|--|---|--|---------------------------------|
| | | | Not Agreed – no material impact |
| | | | Not Agreed – material impact |
| | | | Ongoing point of discussion |
| Timescale for delivery | | | |
| [TBC] | [Insert statement of Applicants position on discussion point] | [Insert statement of stakeholder position on discussion point] | Agreed |
| | | | Not Agreed – no material impact |
| | | | Not Agreed – material impact |
| | | | Ongoing point of discussion |
| Site selection, design, and construction | | | |
| [TBC] | [Insert statement of Applicants position on discussion point] | [Insert statement of stakeholder position on discussion point] | Agreed |
| | | | Not Agreed – no material impact |
| | | | Not Agreed – material impact |
| | | | Ongoing point of discussion |
| Monitoring and adaptive management | | | |
| [TBC] | [Insert statement of Applicants position on discussion point] | [Insert statement of stakeholder position on discussion point] | Agreed |
| | | | Not Agreed – no material impact |
| | | | Not Agreed – material impact |
| | | | Ongoing point of discussion |
| Decommissioning | | | |
| [TBC] | [Insert statement of Applicants position on discussion point] | [Insert statement of stakeholder position on discussion point] | Agreed |
| | | | Not Agreed – no material impact |
| | | | Not Agreed – material impact |
| | | | Ongoing point of discussion |
| Securing consents and legal agreements | | | |
| [TBC] | [Insert statement of Applicants position on discussion point] | [Insert statement of stakeholder position on discussion point] | Agreed |

| | | | |
|-------------|---|--|---------------------------------|
| | | | Not Agreed – no material impact |
| | | | Not Agreed – material impact |
| | | | Ongoing point of discussion |
| DCO wording | | | |
| [TBC] | [Insert statement of Applicants position on discussion point] | [Insert statement of stakeholder position on discussion point] | Agreed |
| | | | Not Agreed – no material impact |
| | | | Not Agreed – material impact |
| | | | Ongoing point of discussion |

3.3 Onshore nesting

Table 5 Agreement Log: Onshore nesting

| ID | Hornsea Fours Position | Natural England Position | Position Summary |
|---|---|--|------------------|
| [Insert discussion point – e.g Scope of EIA] | | | |
| [TBC] | [Insert statement of Applicants position on discussion point] | [Insert statement of stakeholder position on discussion point] | Agreed |
| | | | Not Agreed |
| [Insert discussion point – e.g Baseline data] | | | |
| | | | |

3.4 Predator eradication

Table 6 Agreement Log: Predator eradication

| ID | Hornsea Fours Position | Natural England Position | Position Summary |
|--|--|---|------------------|
| [[Insert discussion point – e.g Scope of EIA] | | | |
| [TBC] | [[Insert statement of Applicants position on discussion point] | [[Insert statement of stakeholder position on discussion point] | Agreed |
| | | | Not Agreed |
| [[Insert discussion point – e.g Baseline data] | | | |
| | | | |

3.5 Bycatch reduction

Table 7 Agreement Log: Bycatch reduction

| ID | Hornsea Fours Position | Natural England Position | Position Summary |
|--|--|---|------------------|
| [[Insert discussion point – e.g Scope of EIA] | | | |
| [TBC] | [[Insert statement of Applicants position on discussion point] | [[Insert statement of stakeholder position on discussion point] | Agreed |
| | | | Not Agreed |
| [[Insert discussion point – e.g Baseline data] | | | |
| | | | |

3.6 Fish habitat enhancement

Table 8 Agreement Log: Fish habitat enhancement

| ID | Hornsea Fours Position | Natural England Position | Position Summary |
|--|--|---|------------------|
| [[Insert discussion point – e.g Scope of EIA] | | | |
| [TBC] | [[Insert statement of Applicants position on discussion point] | [[Insert statement of stakeholder position on discussion point] | Agreed |
| | | | Not Agreed |
| [[Insert discussion point – e.g Baseline data] | | | |
| | | | |

4 Summary

- 4.1.1.1 This SoCG has outlined the consultation that has taken place between the Applicant and Natural England. Appendix A summarises in tabulated form the agreement between the Applicant and Natural England at the point of Application. The agreement logs present the position reached at the point of DCO application between Hornsea Four and Natural England in relation to Derogation and Compensation matters (see [Volume F Annex 3.4: Hornsea Project Four and Natural England: Efficacy of Compensation Measures Agreement Log](#)).
- 4.1.1.2 This SoCG will be updated once the application is submitted as discussions progress and made available to PINS at the point of DCO Application and as requested through the DCO examination phase.

APPENDIX A: Efficacy of Compensation Measures Agreement Log

4.2 Efficacy of compensation measures

Table 9 Agreement Log: Offshore nesting

| ID | Hornsea Fours Position | Natural England Position | Position Summary |
|-------------------------|--|---|--|
| Offshore nesting | | | |
| | <p>The compensation measure has merit.</p> <p>(NOTE: theoretical removed from heading insert by NE to Hornsea Four's position. Theoretical position is captured in NE Position).</p> | <p>The measure has theoretical merit as potential compensation for kittiwake at a population level.</p> <p>Evidence that nest availability is a limiting factor needs to be provided.</p> <p>It is uncertain if this measure has theoretical merit for gannet.</p> | Ongoing point of discussion. |
| | <p>The measure is technically feasible (NOTE: Addition by NE to 1st draft issued and not original point of agreement log)</p> | <p>The measure is technically feasible for kittiwake.</p> <p>It is uncertain if this measure is technically feasible for gannet.</p> | <p>Agreed for kittiwake only</p> <p>Ongoing point of discussion for gannet.</p> |
| | <p>The evidence provided demonstrates the ecological efficacy of the measure.</p> | <p>The evidence provided does not demonstrate the ecological efficacy of the measure for either species.</p> <p>Evidence that nest availability is a limiting factor needs to be provided.</p> <p>Further evidence should be provided to help us understand which factors may influence the colonisation of offshore structures by kittiwake.</p> <p>Evidence needs to be provided to demonstrate use of offshore structures by gannet.</p> | <p>Ongoing point of discussion for kittiwake.</p> <p>Not agreed – Material impact for gannet</p> |
| Onshore nesting | | | |
| | <p>The compensation measure has merit.</p> | <p>The measure has theoretical merit as potential compensation for kittiwake at a population</p> | Ongoing point of discussion (should |

| | | | |
|--|---|---|---|
| | <p>(NOTE: theoretical removed from heading insert by NE to Hornsea Four's position. Theoretical position is captured in NE Position).</p> | <p>level. However, evidence that nest availability is a limiting factor needs to be provided.</p> <p>There is insufficient evidence to demonstrate that this measure has merit for gannet.</p> | <p>this measure be taken forward).</p> |
| | <p>The measure is technically feasible</p> <p>(NOTE: Addition by NE to 1st draft issued and not original point of agreement log)</p> | <p>The measure is technically feasible for kittiwake.</p> | <p>Agreed for Kittiwake only</p> <p>Ongoing point of discussion for gannet.</p> |
| | <p>The evidence provided demonstrates the ecological efficacy of the measure.</p> | <p>The evidence provided does not demonstrate the ecological efficacy of the measure for either species..</p> <p>For kittiwake, further evidence would need to be provided to demonstrate that the measure would add to the kittiwake population rather than displace birds from or compete with existing nesting sites (including compensation sites).</p> | <p>Ongoing point of discussion (should this measure be taken forward).</p> |

Bycatch reduction

| | | | |
|--|--|--|---|
| | <p>The compensation measure has merit.</p> <p>(NOTE: theoretical removed from heading insert by NE to Hornsea Four's position. Theoretical position is captured in NE Position).</p> | <p>The measure has theoretical merit as potential compensation for auks at a population level.</p> | <p>Agreed for auks.</p> |
| | <p>The measure is technically feasible</p> <p>(NOTE: Addition by NE to 1st draft issued and not original point of agreement log)</p> | <p>The measure is not technically feasible</p> | <p>Ongoing point of discussion for all species.</p> |
| | <p>The evidence provided demonstrates the ecological efficacy of the measure.</p> | <p>The evidence provided does not demonstrate the ecological efficacy of the measure</p> | <p>Ongoing point of discussion for all species.</p> |

Predator eradication

| | | |
|--|--|--|
| <p>The compensation measure has merit.</p> <p>(NOTE: theoretical removed from heading insert by NE to Hornsea Four's position. Theoretical position is captured in NE Position).</p> | <p>The theoretical merit of the measure as compensation for auks is uncertain</p> | <p>Ongoing point of discussion for all species</p> |
| <p>The measure is technically feasible</p> <p>(NOTE: Addition by NE to 1st draft issued and not original point of agreement log)</p> | <p>The measure is technically feasible</p> | <p>Agreed for auks</p> |
| <p>The evidence provided demonstrates the ecological efficacy of the measure.</p> | <p>The evidence provided does not demonstrate the ecological efficacy of the measure</p> | <p>Ongoing point of discussion for all species</p> |

Fish habitat enhancement

| | | |
|--|---|-------------------------------------|
| <p>The compensation measure has merit.</p> <p>(NOTE: theoretical removed from heading insert by NE to Hornsea Four's position. Theoretical position is captured in NE Position).</p> | <p>The measure does not have theoretical merit as compensation. However, Natural England welcomes its consideration as a wider enhancement measure.</p> | <p>Not agreed – Material impact</p> |
| <p>The measure is technically feasible</p> <p>(NOTE: Addition by NE to 1st draft issued and not original point of agreement log)</p> | <p>The measure is technically feasible</p> | <p>Agreed</p> |
| <p>The evidence provided demonstrates the ecological efficacy of the measure.</p> | <p>The evidence provided does not demonstrate the ecological efficacy of the measure as compensation. However, Natural England welcomes its consideration as a wider enhancement measure.</p> | <p>Not agreed – Material impact</p> |