STATUTORY INSTRUMENTS

2025 No. 1230

ENERGY

MARINE ENVIRONMENT

The Marine Recovery Funds Regulations 2025

Made - - - -	*24th November 2025*
Laid before Parliament	*25th November 2025*
Coming into force - -	*17th December 2025*

CONTENTS

PART 1

Introductory

1. Citation, commencement and extent
2. Interpretation

PART 2

Establishment, operation and management of marine recovery funds

3. Establishment of marine recovery funds
4. Operation and management of an MRF
5. Payments in connection with operation and management of an MRF

PART 3

Approval of measures

6. Approval of measures to be funded by an MRF

PART 4

Procedure for making an MRF application and MRF contracts

7. Procedure for making an MRF application
8. Approval of MRF application and entry into MRF contract
9. Meaning of MRF contract
10. Fees
11. Publication of application procedure and fees

PART 5

Payments into an MRF

12. Payments into an MRF

PART 6

Delivery of allocated measures

13. Responsibility for delivery of allocated measures
14. Payments out of an MRF
15. Monitoring, adapting and decommissioning of allocated measures

PART 7
Changes to an MRF
16. Extension of territorial scope of an MRF
17. Consultation in relation to proposed cancellation of delegation of functions
18. Closure of all or part of an MRF
19. Consultation under regulation 17 or 18(2)

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 292 and 331(2)(a) of the Energy Act 2023(**a**).

Before making these Regulations, the Secretary of State has consulted the Scottish Ministers, the Welsh Ministers, the Department of Agriculture, Environment and Rural Affairs in Northern Ireland and such other persons as the Secretary of State considered appropriate, in accordance with section 292(12) of the Energy Act 2023.

PART 1
Introductory

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Marine Recovery Funds Regulations 2025.

(2) These Regulations come into force on 17th December 2025.

(3) These Regulations extend to England and Wales, Scotland and Northern Ireland.

Interpretation

2. In these Regulations—

"allocated measure" has the meaning given in regulation 8(3)(a);

"approved measure" means a measure in relation to which approval has been given under regulation 6(1);

"measure" means a measure to compensate for adverse environmental effects(**b**) of relevant offshore wind activities(**c**);

"MRF" means a marine recovery fund(**d**) established under regulation 3(1);

"MRF applicant" means a person who makes an MRF application;

"MRF application" means an application to the Secretary of State to make an MRF payment, made in accordance with a procedure determined under regulation 7(1);

"MRF contract" means an agreement which falls within regulation 9 (meaning of MRF contract);

"MRF participant" means a party to an MRF contract who falls within the description in regulation 9(a)(i) (parties to an MRF contract);

(**a**) 2023 c. 52.
(**b**) See section 291(4) of the Energy Act 2023 for the meaning of "adverse environmental effects".
(**c**) See section 290 of the Energy Act 2023 for the meaning of "relevant offshore wind activity".
(**d**) See section 292(2) of the Energy Act 2023 for the meaning of "marine recovery fund".

"MRF payment" means a payment into an MRF which is made by an MRF participant—

(a) in accordance with an MRF contract,

(b) in respect of an allocated measure, and

(c) for the purpose of discharging all or part of a compensation condition(**a**) imposed on a person in connection with the granting of consent(**b**) to carry out the relevant offshore wind activity for whose adverse environmental effects the allocated measure is to compensate.

PART 2

Establishment, operation and management of marine recovery funds

Establishment of marine recovery funds

3.—(1) The Secretary of State may establish one or more marine recovery funds.

(2) Where the Secretary of State establishes a marine recovery fund under paragraph (1), the Secretary of State may determine which relevant offshore wind activities are relevant offshore wind activities in respect of which payments may be made into and out of that fund.

(3) Where the Secretary of State establishes a marine recovery fund under paragraph (1), the Secretary of State may decide that the fund is established for—

(a) England, Wales, Scotland or Northern Ireland(**c**) only, or

(b) any combination of those territories.

(4) Where the Secretary of State establishes a marine recovery fund under paragraph (1) for a particular territory of the United Kingdom, the relevant offshore wind activities referred to in paragraph (2) may be activities which take place in the inshore or offshore region of that territory, or outside it.

(5) The reference in paragraph (4) to the inshore or offshore region of a territory of the United Kingdom is a reference to the English, Scottish, Welsh or Northern Ireland inshore or offshore region(**d**), as appropriate.

Operation and management of an MRF

4.—(1) The Secretary of State must operate and manage an MRF.

(2) The Secretary of State may delegate to another person any function conferred on the Secretary of State by these Regulations relating to the operation and management of an MRF.

(3) A delegation of functions under paragraph (2)—

(a) may, where an MRF is established in accordance with regulation 3(3)(b), relate solely to a particular territory of the United Kingdom,

(b) may be on such terms as the Secretary of State thinks fit,

(c) may, subject to regulation 17 (consultation in relation to cancellation of delegation of functions), be cancelled by the Secretary of State at any time, and

(d) does not prevent the Secretary of State from carrying out any function delegated.

(**a**) See section 292(5) of the Energy Act 2023 for the meaning of "compensation condition".
(**b**) See section 295(1) of the Energy Act 2023 for the meaning of "consent".
(**c**) See section 295(1) and (2) of the Energy Act 2023 for the meanings of "England", "Scotland", "Wales" and "Northern Ireland".
(**d**) See section 295(2) of the Energy Act 2023 as to how references to the English, Scottish, Welsh or Northern Ireland inshore and offshore regions are to be construed.

(4) A delegation of functions under paragraph (2) may only be made—

(a) to a Scottish public authority(**a**) with the consent of the Scottish Ministers;

(b) to a Welsh public authority(**b**) with the consent of the Welsh Ministers;

(c) to a Northern Ireland public authority(**c**) with the consent of DAERA(**d**).

Payments in connection with operation and management of an MRF

5. The Secretary of State may make a payment to another person in respect of costs incurred by that person on behalf of the Secretary of State in connection with the operation and management of an MRF.

PART 3

Approval of measures

Approval of measures to be funded by an MRF

6.—(1) Before a payment may be made out of an MRF towards expenditure on the delivery or acquisition of a measure under regulation 14(b) or (c) (payments out of an MRF), the measure must be approved by the Secretary of State.

(2) An approval under paragraph (1)—

(a) may limit the geographical location of the measure or its duration, and

(b) may relate to a measure which has already been delivered, in full or in part.

(3) The Secretary of State must publish a list of approved measures.

PART 4

Procedure for making an MRF application and MRF contracts

Procedure for making an MRF application

7.—(1) The Secretary of State must determine the procedure for the making of an MRF application.

(2) The procedure determined under paragraph (1) may include—

(a) an expression of interest by the MRF applicant in making an MRF payment;

(b) an initial agreement between the Secretary of State and the MRF applicant that the MRF applicant may make an MRF payment ("proposed MRF payment"), subject to such matters as the Secretary of State may determine, which may include the obtaining of consent to carry out the relevant offshore wind activity to which the proposed MRF payment would relate;

(c) the payment into the MRF of a proportion of the proposed MRF payment, by way of deposit or reservation fee;

(**a**) See section 295(3)(a) of the Energy Act 2023 for the meaning of "Scottish public authority".
(**b**) See section 295(3)(b) of the Energy Act 2023 for the meaning of "Welsh public authority".
(**c**) See section 295(3)(c) of the Energy Act 2023 for the meaning of "Northern Ireland public authority".
(**d**) See section 295(1) of the Energy Act 2023 for the meaning of "DAERA".

(d) the reservation by the Secretary of State of the approved measure in respect of which the proposed MRF payment is to be made, subject to the terms of the initial agreement referred to in sub-paragraph (b).

(3) The procedure determined under paragraph (1)—

(a) may provide for periods of time during which MRF applications may be made;

(b) may provide for circumstances in which the procedure may be abridged, including where the proposed MRF payment is to compensate for adverse environmental effects of a relevant offshore wind activity in respect of which consent has already been granted;

(c) may be different for each MRF;

(d) may provide for circumstances in which an MRF applicant may transfer the making of the MRF application to another person;

(e) may be amended from time to time.

(4) The reservation of an approved measure, as referred to in paragraph (2)(d), may relate to—

(a) a whole approved measure,

(b) part of an approved measure, or

(c) any combination of whole approved measures and parts of approved measures.

Approval of MRF application and entry into MRF contract

8.—(1) Following completion of the application procedure determined under regulation 7(1) in relation to an MRF application, the Secretary of State must decide whether to approve that application.

(2) Before approving an MRF application, the Secretary of State must be satisfied that a determination has been made, by or on behalf of the person who imposed the compensation condition which the MRF applicant seeks to discharge by making an MRF payment, as to the extent to which the making of that MRF payment would discharge that compensation condition.

(3) When approving an MRF application, the Secretary of State must—

(a) allocate an approved measure to the MRF applicant ("allocated measure") which is sufficient to discharge—

(i) the whole of the compensation condition referred to in paragraph (2), or

(ii) the part of that compensation condition in respect of which the MRF payment is to be made,

(b) determine the amount of the MRF payment to be made,

(c) determine the terms on which the MRF payment is to be made, and

(d) offer to enter into an MRF contract with the MRF applicant on those terms.

(4) The allocated measure may be—

(a) a whole approved measure,

(b) part of an approved measure, or

(c) any combination of whole approved measures and parts of approved measures.

(5) In addition to an amount in respect of the delivery of the allocated measure, the amount of the MRF payment referred to in paragraph (3)(b) may include an amount, which may be set by reference to the estimated cost of the allocated measure, in respect of—

(a) activities in connection with the development of measures for approval under regulation 6 and the giving of such approval;

(b) the activities referred to in regulation 15 (monitoring, adapting and decommissioning of allocated measures).

Meaning of MRF contract

9. An agreement falls within this regulation if it—

(a) is entered into by—

(i) an MRF applicant whose MRF application has been approved by the Secretary of State in accordance with regulation 8, and

(ii) the Secretary of State or a person to whom the Secretary of State has delegated a function of operating and managing an MRF under regulation 4(2),

(b) identifies the following matters to which the agreement relates—

(i) the relevant offshore wind activities and the adverse environmental effects of those activities for which the allocated measure is to compensate,

(ii) the compensation condition imposed in relation to those effects,

(iii) the allocated measure which compensates for those effects, and

(iv) the expected outcomes of the allocated measure,

(c) sets out—

(i) the amount of the MRF payment, as determined under regulation 8(3)(b), and

(ii) the terms on which the MRF payment is to be made, as determined under regulation 8(3)(c), and

(d) provides for the identification of the period of time during which the allocated measure to which the agreement relates is to be monitored in accordance with regulation 15 (monitoring etc of allocated measures).

Fees

10.—(1) The Secretary of State may determine the fees that are payable by MRF applicants or MRF participants for the purpose of enabling the Secretary of State to recover costs incurred in connection with the exercise of functions conferred by these Regulations.

(2) A fee which is payable in accordance with a determination made under paragraph (1)—

(a) is of an amount determined by the Secretary of State, which may be set, in whole or in part, by reference to the estimated value of the approved measure to which the MRF payment sought to be made by an MRF applicant relates, and

(b) is payable at such time or times as the Secretary of State may determine.

(3) The Secretary of State may determine that a fee payable in accordance with a determination made under paragraph (1) is non-refundable.

(4) The Secretary of State may amend a determination made under this regulation from time to time.

Publication of application procedure and fees

11. The Secretary of State must publish—

(a) details of the procedure for making an MRF application, as determined under regulation 7(1);

(b) information about the fees payable in accordance with a determination made under regulation 10;

(c) any amendments to the matters referred to in paragraph (a) or (b).

PART 5

Payments into an MRF

Payments into an MRF

12. Payments may be made into an MRF—

(a) by the Secretary of State,

(b) by an MRF applicant in anticipation of entering into an MRF contract, or

(c) by an MRF participant in accordance with an MRF contract.

PART 6

Delivery of allocated measures

Responsibility for delivery of allocated measures

13.—(1) Paragraph (2) applies where an MRF participant pays into an MRF, in accordance with the terms of an MRF contract—

(a) the whole of an MRF payment, or

(b) the first in a series of instalments making up such a payment.

(2) Where this paragraph applies, the Secretary of State becomes responsible for the delivery of the allocated measure to which the MRF contract relates, in accordance with the terms set out in that contract.

Payments out of an MRF

14. The Secretary of State may make payments out of an MRF towards expenditure on measures, including in particular payments—

(a) in relation to activities in connection with the development of measures for approval under regulation 6 and the giving of such approval;

(b) for the delivery of all or part of an approved measure, whether or not it is an allocated measure;

(c) for the acquisition of approved measures which have already been delivered;

(d) for the activities referred to in regulation 15 (monitoring, adapting and decommissioning of allocated measures).

Monitoring, adapting and decommissioning of allocated measures

15.—(1) During the monitoring period, the Secretary of State must monitor the efficacy of an allocated measure for whose delivery the Secretary of State is responsible by virtue of regulation 13(2).

(2) Paragraph (3) applies where, as a result of the monitoring in paragraph (1), the Secretary of State is of the view that—

(a) an allocated measure to which an MRF contract relates is not achieving, or is not likely to achieve, its expected outcomes, as identified in the MRF contract, or

(b) taking one of the steps referred to in paragraph (3) would more appropriately achieve those outcomes or more appropriately compensate for the adverse environmental effects identified in the MRF contract.

(3) Where this paragraph applies, the Secretary of State may—

(a) adapt the allocated measure,

(b) replace the allocated measure with a different approved measure,

(c) add another approved measure to the allocated measure, or

(d) take a combination of the steps referred to in sub-paragraphs (a) to (c).

(4) If steps are taken to adapt an approved measure under paragraph (3)(a), the adaptations do not affect the measure's status as an approved measure.

(5) In this regulation "monitoring period" means the period of time identified in accordance with an MRF contract, as referred to in regulation 9(d) (MRF contracts).

(6) The Secretary of State may take steps, whether at the end of the monitoring period or subsequently, to decommission an allocated measure or to prepare it for allocation to another MRF applicant.

PART 7

Changes to an MRF

Extension of territorial scope of an MRF

16.—(1) Paragraph (2) applies where the Secretary of State has, in accordance with regulation 3(3) (establishment of marine recovery funds), decided to establish an MRF for one or more territories of the United Kingdom, but not for the whole of the United Kingdom.

(2) Where this paragraph applies, the Secretary of State may decide that the MRF is established for an additional territory of the United Kingdom.

Consultation in relation to proposed cancellation of delegation of functions

17. Before the Secretary of State decides under regulation 4(3)(c) to cancel the delegation of a function to a Scottish, Welsh or Northern Ireland public authority relating to the operation or management of an MRF, the Secretary of State must consult—

(a) the Scottish Ministers, if the proposed cancellation relates to a function delegated to a Scottish public authority;

(b) the Welsh Ministers, if the proposed cancellation relates to a function delegated to a Welsh public authority;

(c) DAERA, if the proposed cancellation relates to a function delegated to a Northern Ireland public authority.

Closure of all or part of an MRF

18.—(1) Subject to paragraph (2), the Secretary of State may decide to close all or part of an MRF to new MRF applicants.

(2) Before making a decision under paragraph (1), the Secretary of State must consult—

(a) the Scottish Ministers, if the proposed closure is of a fund established for Scotland;

(b) the Welsh Ministers, if the proposed closure is of a fund established for Wales;

(c) DAERA, if the proposed closure is of a fund established for Northern Ireland.

(3) After making a decision under paragraph (1), the Secretary of State must continue to carry out the functions conferred on the Secretary of State by these Regulations in relation to MRF contracts which are already in place.

Consultation under regulation 17 or 18(2)

19. Where the Secretary of State carries out a consultation under regulation 17 or 18(2), the Secretary of State must allow an appropriate period of time for carrying out the consultation, which must be a minimum of 12 weeks.

Emma Hardy
Parliamentary Under Secretary of State
24th November 2025 Department for Environment, Food and Rural Affairs

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made under section 292 of the Energy Act 2023 (c. 52) which enables the Secretary of State to make regulations providing for the establishment, operation and management of one or more marine recovery funds ("MRF"). An MRF is a fund into which payments may be made in respect of activities in connection with offshore wind electricity generation and out of which payments may be made towards expenditure on measures to compensate for adverse environmental effects of such activities ("measures").

Part 2 of these Regulations enables the Secretary of State to establish one or more MRFs, either for the whole of the UK or for particular territories or combinations of territories of the UK (regulation 3). It also provides for the Secretary of State to operate and manage an MRF but enables the Secretary of State to delegate such functions (regulation 4). Measures have to be approved by the Secretary of State before a payment can be made out of an MRF in respect of them (Part 3, regulation 6).

Part 4 enables the Secretary of State to determine the procedure by which a person can make an MRF application and sets out some of the matters which such a procedure may include (regulation 7). Regulation 8 deals with decisions to approve such applications and the consequences of such decisions. Where an MRF application is successful, the terms on which the MRF payment is to be made will be reflected in an MRF contract (regulation 9). Regulation 10 enables the Secretary of State to determine the fees payable in relation to the operation and management of an MRF and regulation 11 requires information about these, as well as about the application procedure, to be published.

Part 5 (regulation 12) specifies who may make payments into an MRF. Part 6 provides that the Secretary of State becomes responsible for the delivery of a measure following the making of an MRF payment or its first instalment (regulation 13). Part 6 also provides for payments to be made out of an MRF in relation to measures (regulation 14). Regulation 15 deals with the monitoring, adapting and decommissioning of measures. Part 7 addresses changes to an MRF or its closure.

A full impact assessment of the effect that this instrument will have on the costs of business, the voluntary sector and the public sector is available from the Department for Environment, Food and Rural Affairs, Seacole Building, 2 Marsham Street, London SW1P 4DF, and is published with an Explanatory Memorandum alongside the instrument on www.legislation.gov.uk.

© Crown Copyright 2025

Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Saul Nassé, Controller of His Majesty's Stationery Office and King's Printer of Acts of Parliament.

ISBN 978-0-34-827689-3

£8.90

http://www.legislation.gov.uk/id/uksi/2025/1230