

## North York Moors National Park Authority

18 December 2017

### Polyhalite Projects Compensation and Mitigation Action Plan

#### 1. Purpose of the Report

- 1.1 To agree a Compensation and Mitigation Action Plan for the implementation of the s106 agreement for the Woodsmith Mine Development.

#### 2. Background

- 2.1 A draft Compensation and Mitigation plan related to the implementation of the s106 agreement for the development of the Woodsmith Mine near Whitby (Planning reference NYM/2014/0676/MEIA) was submitted to the National Park Authority in September 2017 for consideration and feedback.
- 2.2 Feedback from the meeting has been incorporated into the final iteration of the plan presented in **Appendix 1**.

#### 3. The Plan

- 3.1 The Compensation and Mitigation Action Plan (**Appendix 1**) outlines how the s106 resources will be utilised to ensure that the detailed terms of the s106 agreement are delivered effectively and efficiently. It is set within the context of the National Park Management Plan and the 2017-2020 Business Plan and is directed by the purpose of the s106 agreement and that is to compensate and mitigate for many of the residual adverse impacts of the mine development on the National Park.

- 3.2 Following consultation, the following sections have been amended and clarified:

- 3.3 Financial Information – Additional clarification on the purpose of the contributions and how they are drawn down and accounted for.

Table 4 updated to reflect actual spend on staff time in quarters 1 and 2 and additional detail in the narrative to explain how resource has been allocated from the s106 contributions to cover administrative costs including staff and consultants time.

Table 7 projects updated for year 2.

- 3.4 Staff Implications – minor clarification of staff structure for the Polyhalite team

- 3.5 Risk – Additional risks identified and mitigated

- 3.6 Objectives

- Landscape & Ecology – formatting and one change to the allocation for projects in Y2
- Core Policy D – reinforcement that woodland creation is for carbon offsetting, minor amendments to the proposed principles and additional information about how potential sites for woodland creation will be identified and evaluated. Update of woodland creation principles and update of pipeline schemes.

- Tourism – Clarification of the purpose of the Local Businesses Tourism Contribution.
  - Other contributions – no change.OK
  - Summary table of actions - updated information for key partners.
- 3.7 Strategy 2020 onwards – minor amendments explaining the development of grant schemes to distribute funds.
- 3.8 Wider Implications – some additional detail on how the limited amount of displaced activity from the core Business Plan will be managed and reiteration of the sole purpose of the s106 contributions
- 3.9 Communications – an addition to the list of priorities.
- 3.10 An annual report detailing compensatory outputs and achievements against the action plan and plans for the next 12 months will be presented to NPA in June each year.

#### **4. Financial and Staffing Implications**

- 4.1 The s106 agreement was a necessary requirement of the decision to grant planning permission and the allocation of the s106 towards specific compensation and mitigation actions is determined by the provisions of the s106 agreement. All expenditure for projects delivering compensation and mitigation for the impacts caused by the development is made from the budget that was approved by NPA in March 2017 as part of the overall Authority Budget.
- 4.2 Deployment of the funding through the s106 agreement for specific projects and streams of work along with associated staff implications is included in the Compensation & Mitigation Action Plan appended.

#### **5. Contribution to National Park Management Plan**

- 5.1 The delivery plan will deliver against the objectives of the management plan specified in Schedule 4 of the s106 agreement, thereby compensating for and mitigating certain of the assessed harmful impacts of the development.

#### **6. Legal Implications**

- 6.1 Appropriate management of the collection and payment of the Section 106 monies is necessary to ensure delivery of the identified compensation and mitigation elements in accordance with the express terms of the S106 Agreement and general Section 106 principles. The Authority does not have discretion to allocate payments for materially different purposes other than addressing or compensating for any residual impacts on landscape, tranquillity, special qualities and ecology related to specific elements of the National Park Management Plan, for carbon sequestration or for compensating for any impacts on the tourism economy by promoting the North York Moors as a tourism destination. State Aid issues should not arise for any of the contributions if those parameters are adhered to, however to further mitigate risk, the Authority should also properly determine the appropriate value of payments to be made and be aware of the nature of recipients in order to eliminate as far as possible any suggestion that State Aid issues could potentially arise.

- 6.2 A section 73 application for minor material amendments to the mine development is currently lodged with the Authority and is due to be considered by the Planning Committee in December. As part of the processing of this application, legal processes are being followed to ensure all the relevant parts of the S106 Agreement can be carried forward in the event that the material minor amendments are approved.

**7. Recommendation**

- 7.1 That this plan is adopted as a framework for delivering the s106 agreement.

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**Background papers to this Report**

**File ref**

1. NPA 25/9/17 Item 10
2. Compensation & Mitigation Action Plan
3. Section 106 Agreement
4. Planning Permission NYM/2014/0676/MEIA

**Woodsmith Mine s106**

# **Compensation and Mitigation Action Plan**

**For the North York Moors National Park**

**2017 - 2020**

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# 1: Introduction

## 1.1: Background & Context

The Woodsmith Mine Compensation & Mitigation Action Plan will set out how the National Park Authority will distribute resources allocated through the s106 Planning Agreement related to development NYM/2014/0676/MEIA.

The Plan is set within the context of the National Park Management Plan, its 2017-2020 Business Plan and is directed by the sole purpose of the s106 contributions in compensating and mitigating for the acknowledged impact that the development of the Woodsmith Mine will have on the National Park.

### Context

The development of the Woodsmith Mine near Whitby was granted planning permission in 2015. In order to address a range of anticipated impacts to the tourism economy and to the landscape and ecology of the National Park, a substantial and long term s106 agreement was made with York Potash Ltd (Sirius Minerals) to undertake a range of initiatives and interventions to compensate and mitigate for the assessed impacts of the development. The 100 year agreement provides for a range of activities that invest in promoting the National Park, add value to the landscape and ecological quality of the National Park, offset carbon emissions from the development and to cover monitoring and compliance costs.

### Strategic priorities

This plan details the first 4 years spend over the range of contributions and more strategically considers how the following 5 years spend will be prioritised.

The overarching strategy is to deliver the s106 agreement to compensate and mitigate against the development of the Woodsmith Mine and associated construction sites within the North York Moors National Park. Specifically to:

- Offset 10% of the carbon emissions of the development by increasing mixed deciduous woodland cover in the National Park by 7155ha by 2117.
- Increase the profile of the North York Moors and minimise the anticipated negative impact on the tourism economy of the North York Moors.
- Contribute to raising the quality of landscape and ecology in the North York Moors National Park.

## 1.2: Links with NYMNPA Business Plan 2017 – 2020

The work outlined in the Compensation & Mitigation Action Plan will be separate from but as far as possible complement the other work priorities detailed in the 2017 - 2020 (and future) NYMNPA Business Plan. Inevitably, a project on this scale will command considerable resources and this is explored in the Resource section. The Compensation & Mitigation Action Plan activities will in general complement the work that the Authority has already committed to deliver through its core objectives although some of the work of the NYMNPA Business Plan has been reprioritised to enable new initiatives to be taken and to avoid unnecessary competition for on the ground activity. This means that a very limited number of actions in the core business plan have been postponed and temporarily replaced with other activity: this is detailed in section 5 (Wider Implications).

### Performance monitoring

The Compensation & Mitigation Action Plan will detail the objectives and targets to be delivered during the lifespan of the Plan which will be updated every 4 years. An initial 4 year action plan will detail the expenditure in each of the contribution areas and this will be followed with a strategy looking ahead for the following 5 years to direct the planning for the next spending cycle.

As part of our performance reporting cycle, quarterly updates will be provided to NPA on our progress towards the objectives and achievement of targets set out in the plan. 6 monthly updates will also be provided to Sirius Minerals and an annual review will be undertaken to review the compensation and mitigation outputs as well as the works contribution to the management plan objectives set out in Schedule 4 of the s106 agreement.

### KPI's

The following key performance indicators will be used to measure our progress in delivering the s106 agreement

- 1: % of correspondence with Sirius Minerals conforming to Schedule 8 commitments of s106 (these are the Performance Standards specified in the s106 agreement)
- 2: % or amount of s106 funding returned unspent
- 3: % of woodland creation targets achieved for Core Policy D delivery

## 2: Resources

### 2.1 Finance

There are considerable financial resources identified in the s106 agreement available for implementing compensation and mitigation measures.

The contributions predominantly provide for three main areas of work; Landscape and Ecology, Core Policy D and Tourism with minor contributions to other elements of impact such as geology, archaeology and employment. There is also a contribution towards monitoring the development and the delivery of the s106 agreement.

The payments are categorised in terms of the developmental stages of the mine and are available for construction, post construction and operational periods. The construction period is nominally five years although depending on progress, this could be shorter or longer. The post construction period is defined as a period of equal length to the construction period and the operational period is the length of time from the end of post construction until the mine ceases to operate (maximum of 100 years from the commencement of development under this planning permission).

The contributions made in the s106 are all subject to an annual RPI increase. This is calculated using the RPI for March each year and applied to the annual contribution payment made each May. For the purposes of this Plan, only contributions for year 1 have been inflated with RPI.

The contributions are made directly to the North York Moors National Park Authority as the law requires. Most of the contributions are paid automatically on the anniversary of the Commencement of Development but the Landscape and Ecology and Core Policy D contributions are paid following a requisition notice to Sirius Minerals. Some of these contributions are to be used directly by the NYMNP and others are to be distributed to others to fulfil the obligations of the s106. These contributions are detailed in Table 1 and Table 2.

A detailed breakdown of expenditure for year 1 is shown in table 3. Detailed expenditure for following years will be provided as part of an annual report and action plan updating progress on the delivery of the s106 each spring. Table 4 shows the expected cost of staff, consultants' and contractors' time to implement the various projects over the life of the plan. The table details the total resource available from the s106 contributions that have been allocated for administration costs to cover direct staff and consultants to deliver the compensation and mitigation activities. These are made up of the monitoring contribution plus proportional allocations from the other financial contributions in the s106 agreement (excluding those payable to third parties).

The funding will largely be used in isolation but where the necessary outputs can be achieved more effectively by combining with core or matching third party funding for larger or partnership projects this will be done.

In terms of recording expenditure, the Woodsmith 106 spend will be recorded separately. The Financial Grant Memorandum requires information to be presented to Defra in strictly defined categories (eg Cultural Heritage, Natural Environment, Rangers). For these purposes spend will have to be attributed to one of these categories.

**Table 1: Resources during Construction phase (nominally 5 years)**

Contribution		S106 Yr 1	Including RPI Increase Y1	S106 Yr 2	S106 Yr 3	S106 Yr 4	S106 Yr 5
In-House	Landscape and Ecology	118,500	122,529	237,000	355,500	474,000	592,500
	Core Policy D	135,000	139,590	270,000	405,000	540,000	675,000
	NYMNPAs Tourism (Construction)*	100,000	103,400	100,000	100,000	100,000	100,000
	Tourism Signage	0	0	0	0	400,000	0
	Tourism - Local Businesses	50,000	51,700	50,000	50,000	50,000	50,000
	Archaeological Data Contribution	22,500	23,265	22,500	22,500	22,500	22,500
	Geological Data Contribution	22,500	23,265	22,500	22,500	22,500	22,500
	Monitoring	100,000	103,400	100,000	100,000	100,000	100,000
	<b>Sub-Total</b>	<b>548,500</b>	<b>567,149</b>	<b>802,000</b>	<b>1,055,500</b>	<b>1,709,000</b>	<b>1,562,500</b>
External but Monitoring /	Tourism - Welcome to Yorkshire	200,000	206,800	200,000	200,000	200,000	200,000
	Tourism - Visit England	50,000	51,700	50,000	50,000	50,000	50,000
	Tourism - Visit Britain	50,000	51,700	50,000	50,000	50,000	50,000
	Tourism - Whitby	50,000	51,700	50,000	50,000	50,000	50,000
		<b>Sub-Total</b>	<b>350,000</b>	<b>361,900</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>
External	Tourism - Impact Review**	100,000	103,400	100,000	100,000	100,000	100,000
	Police***	150,000	155,100	0	0	0	0
	Scarborough Employment Opportunities	40,000	41,360	40,000	40,000	40,000	40,000
		<b>Sub-Total</b>	<b>290,000</b>	<b>299,860</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>
<b>Annual Income Total</b>		<b>1,188,500</b>		<b>1,292,000</b>	<b>1,545,500</b>	<b>2,199,000</b>	<b>2,052,500</b>
			<b>1,228,909</b>				

**Table 2: Resources during Post-Construction & Operational phases**

Contribution	Post-Construction					Operation	
	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11 Onwards	Yr 16 Onwards
<b>In-House</b>	Landscape and Ecology	592,500	592,500	592,500	592,500	592,500	592,500
	Core Policy D	675,000	675,000	675,000	675,000	675,000	675,000
	NYMNPAs Tourism (Operations)*	100,000	100,000	100,000	100,000	100,000	100,000
	Tourism - Local Businesses	50,000	50,000	50,000	50,000	50,000	
	Monitoring	100,000	100,000	0	0	0	0
	Monitoring (Continuation of)	0	0	50,000	50,000	50,000	50,000
<b>Sub-Total</b>	<b>1,517,500</b>	<b>1,517,500</b>	<b>1,467,500</b>	<b>1,467,500</b>	<b>1,467,500</b>	<b>1,417,500</b>	<b>1,417,500</b>
<b>External but Monitoring /</b>	Tourism - Welcome to Yorkshire	200,000	200,000	200,000	200,000	200,000	0
	Tourism - Visit England	50,000	50,000	50,000	50,000	50,000	0
	Tourism - Visit Britain	50,000	50,000	50,000	50,000	50,000	0
	Tourism - Whitby	50,000	50,000	50,000	50,000	50,000	50,000
<b>Sub-Total</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>	<b>50,000</b>	<b>0</b>
<b>External</b>	Tourism - Impact Review**	100,000	100,000	100,000	100,000	100,000	0
	<b>Sub-Total</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>0</b>
<b>Total (Original)</b>	<b>1,967,500</b>	<b>1,967,500</b>	<b>1,917,500</b>	<b>1,917,500</b>	<b>1,917,500</b>	<b>1,467,500</b>	<b>1,417,500</b>

**Table 3: Expenditure Profile Y1**

Code	Heading	Amount	Month 2017/18												Total	Balance		
			April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar			April	
H800	Landscape & Ecology	122529.00		0.00	0.00	0.00	16000.00	21400.00	14500.00	16400.00	21400.00	2600.00	2100.00	17100.00	11000.00	122500.00	29.00	
H801	Core Policy D	139590.00		0.00	0.00	4800.00	4800.00	4800.00	4800.00	4800.00	15000.00	15000.00	15000.00	15000.00	4800.00	88800.00	50790.00	C/F Y2
H802	Tourism Welcome to Yorkshire	206800.00							206800.00							206800.00	0.00	
H803	Tourism NYMNP	103400.00						5500.00	5500.00	5500.00	17380.00	17380.00	17380.00	17380.00	17380.00	103400.00	0.00	
H804	Tourism Impact Review	96790.00					48395.00						24197.00		24198.00	96790.00	0.00	
H806	Tourism Business Grant	51700.00								10000.00	10000.00	10000.00	10000.00	11700.00		51700.00	0.00	
H807	Visit England	103400.00						103400.00								103400.00	0.00	
H821	Tourism SBC	51700.00					51700.00									51700.00	0.00	
H822	Archaeology	23265.00					2000.00				10000.00			11265.00		23265.00	0.00	
H823	Geology	23265.00			500.00			500.00			10000.00			12265.00		23265.00	0.00	
H825	SBC Employment	41360.00					41360.00									41360.00	0.00	
H826	Police	155100.00						155100.00								155100.00	0.00	
H831	Monitoring income	183265.00	4500.00	49700.00	31300.00	11600.00	13600.00	11600.00	11600.00	11600.00	11600.00	16600.00	11600.00	11600.00	11600.00	208500.00	-25235.00	
									-103400.00							-103400.00		
			4500.00	49700.00	31800.00	16400.00	177855.00	509100.00	-67000.00	48300.00	95380.00	61580.00	80277.00	96310.00	68978.00	1173180.00		

**Table 4: Staff Costs Y1 - Y5**

<b>Staff Costs</b>											
<b>Proportion of s106 allocated to staff costs</b>	<b>Y1</b>	<b>Y2</b>	<b>Y3</b>	<b>Y4</b>	<b>Y5</b>	<b>Y6</b>	<b>Y7</b>	<b>Y8</b>	<b>Y9</b>	<b>Y10</b>	<b>Y11</b>
<b>C/F from previous year</b>	183265	78065	25493	16389	41945	93501	145057	196613	248169	299725	351281
<b>s106</b>	193980	230480	255080	279480	301480	301480	301480	301480	301480	301480	
<b>Total resource available</b>	377245	308545	280573	295869	343425	394981	446537	498093	549649	601205	
<b>Expenditure</b>	299180	283052	264184	253924	249924	249924	249924	249924	249924	249924	
<b>Total to carry forward</b>	<b>78065</b>	<b>25493</b>	<b>16389</b>	<b>41945</b>	<b>93501</b>	<b>145057</b>	<b>196613</b>	<b>248169</b>	<b>299725</b>	<b>351281</b>	

## **2.2 Staff**

A dedicated staff team has been recruited / redeployed to manage the additional work that implementing the s106 enables. The delivery of activities identified within the Plan will be coordinated by the Director of Polyhalite Projects and delivered in collaboration with existing Conservation and Park Services teams. In addition to the Director of Polyhalite Projects, three new posts have been created which are funded primarily by the s106, a Senior Minerals Planner, a Woodland Creation Officer and a Marketing and Product Development Executive. Two existing posts are being partly funded by the s106 to manage the conservation and tourism elements.

The work programme devised reflects the additionality of this work to the Authority's core business and takes account of the work load staff currently have. As the programme develops and the work is more routine and pre-organised, this additional pressure will be reduced.

The practical conservation and on site activities will be undertaken by a range of personnel resources including contractors, landowners, rangers, apprentices, volunteers (including corporate and youth volunteers) etc.

## **2.3 Risk to resources**

The development is in its infancy and considerable attention has been paid to the financial and operational risks. The risk factors (to the National Park but then for the National Park Authority as well) and mitigations are listed in table 5. The risks identified have been mitigated as far as possible but will be assessed on a regular basis to ensure that any new risks are identified and addressed.

**Table 5: Resource risks**

Risk	Mitigation
Development becomes not viable and compensation through the s106 agreement is not available	First 10 years of contribution secured in ESCROW. After 10 years, it is expected that the development is operational and financially sustainable.
Development fails and site is abandoned	Annual bond calculated to cover reinstatement costs of any development sites in the park.
S106 is challenged and amount of compensation reduced.	Ensure all projects conform to the s106 and demonstrably deliver activity relevant to the development and management plan objects that have been identified as providing compensation.
Projects are not delivered and funding needs to be returned	Internally – ensure all projects are integrated into staff workloads and projects are only timetabled if there is sufficient internal resource to deliver (either directly or to supervise contractors)  Externally – ensure good relationships are maintained with third parties and put agreements in place that require partners to spend the money on agreed priorities.
Land is not available for carbon offsetting/woodland creation projects and targets cannot be attained.	Employ dedicated woodland creation officer to spend time promoting scheme and developing relationships with landowners as well as bringing in expertise from internal and external colleagues.
Carbon offsetting/woodland creation projects fail and so target not achieved but contribution is expended with no outputs.	Ensure reliable and credible contractors employed, ensure correct species planted in appropriate sites with appropriate aftercare to aid establishment.
S106 contributions do not adequately cover the amount of time taken to monitor and manage the workload particularly in respect of new applications or amendments	Maintain normal control on salary levels and on-costs. Monitor spend against s106 carefully and adjust the staff input where practical

## 3: Objectives

Because of resource issues (staff and financial), our short term priority is to deliver discrete, relatively small scale projects. This approach will be used during the first 4 years following the Commencement of Development and will coincide with the delivery time frame for the current North York Moors National Park Authority Business Plan (2017 – 2020).

From Y5 onwards, this Plan will integrate into the next iteration of the corporate business plan while remaining financially and legally separate. It will take a more strategic approach to identifying and delivering programmes of work at a strategic level. This will identify projects on a landscape scale (e.g. the coast / marine environment, A171 corridor, individual dales or estates) or themes across the whole park (e.g. access and PROW, Historic Assets, individual habitat type focus) and will concentrate resource to ensure that positive mitigation and compensation impact counteracts the harm of the development to the fullest extent.

### 3.1: Landscape & Ecology

This section describes what the Authority will do to deliver against the contributions made under the s106 to compensate and mitigate for impacts to Landscape & Ecology in the National Park.

This contribution covers a wide range of environmental work areas including (but not exclusively):

Enhancements to visual and ecological quality of boundaries

Pond Enhancements

Woodland Improvements

Watercourse Enhancements

Wood pasture and Parkland Improvements

Historic Environment Features Enhancements

Infield Trees

Public Rights of Way Enhancements

Grassland improvements

Tranquillity Enhanced

Environmental improvements to Heath / Moor

The contributions will not be used to undertake routine maintenance or work that is part of our core Business Plan or Management Plan delivery but will be used to undertake enhanced and additional works that provide a mitigating or compensatory effect.

## Objectives

The objectives detailed in the s106 are taken directly from the North York Moors National Park Management Plan. The objectives inform the areas where activities will best compensate against any impacts on the special qualities of the North York Moors National Park from the mine development and provide a framework for identifying projects and activities that will provide a compensatory outcome.

**Table 6: Landscape & Ecology Objectives**

Management Objectives	Link with NYMNPA Management Plan Policies	Partners / Delivery
Targeted Landscape Improvements	E1	Landowners / managers Forestry Commission Woodland Trust Natural England
Traditional building skills apprenticeship scheme	E2, E9	Local Agricultural Colleges Historic England
Conservation and enhancement of archaeological and built heritage features	E5, E7, E8	Historic England Churches Conservation Trust National Trust
Create additional areas for species rich grasslands	E12	Landowners/managers Natural England Yorkshire Wildlife Trust
Protection & Expansion of Tranquil Areas	E19, E20	CPRE Natural England
Woodland Enhancements	E36, E37, E38, E39, E40, E41	Forestry Commission

		Forest Enterprise Woodland Trust Landowners / managers
Maintenance and improvements of Public Rights of Way and Promotion of Use	U2, U7	Landowners / managers NYCC R&CBC Local Access Forum
Promotion of good environmental practices	B10, B11	Landowners / managers Environment Agency NFU CLBA Natural England
Improvements to habitat connectivity and wildlife management	E10,E11,E13,E14,E15	Landowners / Managers Natural England Environment Agency Yorkshire Wildlife Trust Specialist Conservation Organisations
Special Qualities	SQ1 Diversity of Landscape SQ3 Forest and Woodland SQ6 Mix of habitats SQ8 Long imprint of human activity SQ9 Rich diverse countryside for recreation SQ10 Strong religious past and present SQ11 Strong feeling of remoteness SQ12 Tranquillity and dark night skies and clean air	

**Table 7: Initial Landscape & Ecology Action Plan 2017 – 2020**

Activity	Management Plan / Special Quality Reference	Lead	2017 – 2018 (£122500)	2018 – 2019 (£245000)	2019 – 2020 (£355500)	2020 – 2021 (£474000)
Replacement of traditional post and rail railway fencing, initial element of a rolling programme.	E1, E2, E9, SQ8	Conservation	£10000	£10000	£10000	£10000
Historic Mine Water Discharge project Rosedale	E10-15, SQ6	Conservation	£10000		£20000	£10000
Divert bridleway number 322021 to cross A171 at Moorcock farm and install Pegasus crossing	U2, SQ9	NYCC Park Services	£15000			
Path restoration including flagging, pitching, inversion, surfacing and drainage on Lyke Wake Walk	U2, SQ9	Park Services	£10000			£10000
Path upgrading and surfacing from Boggle Hole to Stoupe Beck Bridleway	U2, SQ9	Park Services	£2000			
Coast to Coast upgrade 4km upgrade inc. Drainage, footpath repair, new stone and wooden steps, habitat restoration on braided paths, signposting	U2, SQ9	Park Services	£42000			
Harwood Dale Woodland Restoration	E10,E11, U2 SQ6, SQ9, SQ12	Park Services	£5000	£3000		
St Stephens Church historic asset enhancement	E5, SQ8 & SQ10	Building Conservation	£16000	£34000	£18000	

Port Mulgrave Coastal Access – new steps to access the beach	U2, SQ9	Park Services		£5000		
Engineering Investigations for Mulgrave Tunnels to facilitate access	U2	Park Services		£25000		
Woodland Restoration – converting conifer to broadleaf plantation	E36-41, E10-15, SQ3	Conservation		£20000	£20000	£20000
Fen Bog habitat management	E10-15, SQ1, SQ6	Conservation		£10000	£30000	£10000
Dark Skies Lighting Management Plan Development of a plan in year 1 and implementation of a grant scheme in year 2 onwards	SQ12	Park Services		£27000	£50000	£50000
Historic Assets,	E5, E7, E8, SQ8	Conservation		£20000	£20000	£20000
River Esk Conservation Projects	E12, E13	Conservation		£42000		
Sneaton Low Boardwalk	U2, SQ9	Park Services			£25000	£25000
Sheriffs Pit – Rosedale Survey and conservation of mining complex	E5, E7, E8, SQ8	Conservation			£10000	£10000
Provisional sum to be allocated against any opportunities arising from the survey of the Mulgrave Tunnels, conservation and accessibility projects and joint projects with the National Trust or other partners					£78900	£211000
Staff Costs – Facilitation, Administration		Polyhalite	£12500	£49000	£73600	£98000

The projects detailed in table 7 have been agreed following a range of consultations and discussions within the Authority. They have been selected because they are deliverable, do not unduly increase individual workloads and demonstrably compensate for the impacts of the mine development. The allocations against projects in years 1 and 2 are committed and deliverable along with the individually identified projects in years 3 and 4. There are a number of opportunities in the pipeline to develop some new areas of work, particularly adding discrete elements to the work undertaken along the River Esk in recent years and the potential for access to the north of the park utilising the old railway tunnels from Sandsend and so a provisional sum has been made available to further these projects if appropriate. Where projects complement a programme of work that is funded through other external funding sources (eg Ryevitalise and This Exploited Land of Iron) the specific individual projects funded through the s106 compensation payments will be separately identified and the compensatory benefit of the work will be highlighted. There are a large number of projects that this

money could be allocated to if the provisional projects are not realised and if this is the case, these will be detailed in the annual progress report and action plan.

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## 3.2: Core Policy D

This section describes what the Authority will do to deliver against the contributions made under the s106 to compensate for the carbon emissions associated with the development of the mine and the ancillary construction.

Carbon offsetting will be achieved through Woodland Creation which must be mixed deciduous woodland and must be delivered at a rate of:

220 hectares within the first 5 years

219 hectares every rolling 3 years after year 5 until the end of the operational period.

### 3.2.1 Objectives

The objective of this contribution is to sequester 10% of the carbon generated by the development in mitigation for the operational electricity energy requirement for the construction and operation of the mine (this reflects the Authority's Core Policy D adopted in 2008).

Core Policy D delivery targets in the first 4 years will be as follows

Y1	10ha
Y2	30ha
Y3	50ha
Y4	60ha

Core Policy D work will be implemented following the principles below

#### Principles

- Carbon Sequestration must be through woodland creation
- Woodlands must be retained long term to sequester carbon. Minimum length of initial agreement 25 years. Statutory protections expected thereafter
- Woodlands must be mixed deciduous
- Minimum area is 1ha per agreement.
- Agreements will be Land Charged.
- Projects must be within the National Park boundary.
- Projects must not be contrary to the National Park Management Plan, e.g. must not damage archaeological or ecological interest.
- Projects will, where possible, be cost neutral to the land owner. The full cost of woodland creation will be covered.

- Maintenance contributions for a minimum of 5 years will be available and other contributions eg income foregone may also be available in some circumstances.

Woodlands can be planted directly by the landowner or can be naturally regenerated in appropriate places. In some exceptional circumstances, the Authority will commission the woodland creation with an agreement (or in some cases, through a lease) with the landowner. The proposed projects will be evaluated through a process of internal and external scrutiny to ensure that they are in accordance with management plan objectives and, where appropriate, to ensure that local people are consulted about the woodland creation schemes.

**Table 8: Expenditure for Core Policy D**

Area of spend	2017 – 2018 £139590 (10ha)		2018 – 2019 £279180 (30ha)		2019 – 2020 £418770 (50ha)		2020 – 2021 £558360 (60ha)
<b>Staff Costs</b>	£55000		£55500		£56100		£57000
<b>Projects already in pipeline Cost (capital plus maintenance and incentives) / Hectares / number of schemes</b>	£30000	10.645ha 2 schemes	£94200	20.8ha 6 schemes	£62000	10.276ha 2 schemes	None specifically identified yet

Good progress has been made to date in identifying potential woodland creation schemes for delivery in the early years of the Core Policy D compensation provision and initial discussions have started with a number of land owners and agents across the National Park. The recruitment of a Woodland Creation Officer has allowed a dedicated resource to develop the relationships and carry out the work needed to deliver these targets and with this in place, they will be achieved.

### **3.3: Tourism**

This section describes what the Authority will do to deliver against the contributions made under the s106 to compensate and mitigate for the impacts on the perception of the National Park for Tourism with the development of the mine.

#### **3.3.1 Objectives**

The objective of all of the contributions for Tourism in the s106 agreement is to promote the North York Moors as a tourism destination to offset any impact on the tourism economy as a result of the development. This includes enhancing the recognition of the National Park, and expanding our target markets and the diversity of visitors. The contributions are described below in table 6 and the vision for each of these contributions described. Each year, an action plan detailing the programme of spend for each of these contributions will be prepared by the recipient organisation in consultation with the Authority. These will be informed by the findings of the Tourism Impact Review each year as well as evaluations of the individual delivery programmes to ensure that the contributions are targeted effectively and the maximum compensatory benefit achieved.

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**Table 9 : Tourism Contributions**

Contribution	Value (RPI increase applies)	Purpose	Direction of Travel 2017 - 2021
Welcome to Yorkshire	£200,000*	Promotion of the North York Moors to counteract negative impact of the mine	Agree annual SLA and utilising a range of media channels to deliver a series of campaigns and activities to achieve the purpose. Support WTY to develop a better understanding of the North York Moors and how it should be marketed and positioned regionally and nationally
NYMNPA	£100,000**	Marketing and Promotion of the North York Moors to counteract negative impact of the mine	Employ a product development and marketing officer Undertake marketing activity and deliver campaigns that promote the North York Moors regionally and locally.
Local Businesses Tourism Contribution	£50,000*	Assisting local businesses to develop new services and products related to Tourism in areas which are particularly affected by the mine	Encouraging large scale sustainable tourism projects in the North York Moors.
VisitEngland / VisitBritain	£100,000*	Promotion of North York Moors as a Tourism Destination to counteract negative impact of the mine	Support VE/VB to develop a better understanding of the North York Moors and how it should be marketed and positioned internationally Deliver a range of campaigns and activities to deliver the purpose
Scarborough Borough Council	£50,000***	Promotion of Whitby as a Tourism Destination to offset any negative impacts related to its	Maximise opportunities for tourism in Whitby and where appropriate, align campaigns with others to maximise the benefit of the contributions.

		close proximity to the mine	
Tourism Signage	£400,000****	Provision of Directional Brown Signs giving advance notice of the North York Moors National Park to counteract negative impact of the mine	Enhance awareness of the North York Moors National Park along key routes in the north east of England. Complement with a suite of secondary signage within the National Park and area of influence.

- \* Payable construction / post construction
- \*\* Payable until end of operation
- \*\*\* Payable until 10 years after construction
- \*\*\*\* One off payment

### 3.3.2 Tourism Impact Review

The Tourism Impact Review is a longitudinal study over the next 10 years looking at how the tourism economy in the North York Moors changes over time and the factors that affect this change. The purpose of the research is to build on the studies conducted prior to approval of the development, to assess in detail the extent of the impact of the mine above the accepted baseline, in terms of the tourism economy of the North York Moors. Following a tender process in the summer of 2017, Emotional Logic, working with the North York Moors National Park Authority, Sirius Minerals and Global Tourism Solutions (UK) Ltd are undertaking a range of quantitative and qualitative studies to calculate the value of the tourism economy each year and to understand the perceptions of visitors and non-visitors to the North York Moors. Whether any change in the tourism economy above the accepted minimum is attributable to the mine development will then be deduced.

This work will be supervised by the Head of Promotion and Tourism and the Director of Polyhalite Projects and an annual report detailing the findings will be produced. The findings from this work will inform the priorities of the development of the annual compensation delivery plans for the recipients of the Tourism Contributions.

## **3.4 Other**

This section describes what the Authority will do to deliver against the contributions made under the s106 in relation to the following activities:

### **3.4.1 Archaeology**

During the construction phase, an annual payment of £22,500 (RPI linked) will be paid to the authority to incorporate the archaeological data arising from the development sites into the archaeological record. This will be used to document any findings that have arisen from any of the exploratory or operational sites in the pre-construction and construction phases into the Historic Environment Records.

### **3.4.2 Geology**

During the construction phase, an annual payment of £22,500 (RPI linked) will be paid to the authority to incorporate the geological data arising from the development sites into the geological record. The primary information is already being logged by Sirius directly with the British Geological Survey and so this contribution will be used to contextualise any findings that have arisen from any of the exploratory or operational sites in the pre-construction and construction phases into the local geological data sources. This work will be undertaken in partnership with the Yorkshire Geological Society and agreed with Sirius Minerals prior to implementation.

### **3.4.3 Scarborough BC Employment**

This contribution will be paid directly to SBC for the purposes of identifying and preparing local people for opportunities during the construction and operation of the development. In the first year, the contribution will be used to contribute to the delivery of the job brokerage service delivered by Scarborough Jobmatch, supporting local people to find jobs with local employers and provide support for the Scarborough Construction Skills Village, which offers real life training opportunities for both young people and adults interested in a career in construction. A report detailing the expenditure will be made by SBC annually one month after the anniversary of each payment and priorities for the following years spend will be agreed in advance of the payment for the following year.

### **3.4.4 Police Contribution**

This is a one off payment in year 1 to North Yorkshire Police to contribute towards additional policing costs related to the development.

### **3.4.5 Monitoring**

The monitoring contribution will be used primarily for the salaries of staff and for legal and technical expenses related to the implementation of the s106 agreement.

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### 3.5: Summary Action Plan Table (2017 – 2020)

Contribution	Objective	Action	Time	Lead	Partners	Cost
<b>Landscape &amp; Ecology</b>	To compensate for the ecological, cultural and access impacts of the development of the mine	Undertake a range of conservation, heritage and access projects across the National Park	Ongoing annually for the duration of the action plan	Conservation Department/ Park Services	Building Conservation team National Trust Woodland Trust Forestry Commission YWT English Heritage Churches Conservation Trust Estates Other environmental / conservation organisations	£1,189,029
<b>Core Policy D</b>	To compensate for carbon emissions arising from the development of the mine	Undertake a programme of mixed deciduous woodland planting across the National Park	Annually each winter	Polyhalite Woodland Team	Landowners Woodland Trust Forestry Commission Natural England	£1,354,590
<b>Tourism</b>	To compensate and mitigate against any impacts to the Tourism economy across the North York Moors	Working with partners, implement a programme of campaigns to promote the North York Moors as a tourism destination  Implement a Tourism Impact Review	All year round campaign to enhance the shoulder seasons and promote locally, regionally, nationally and internationally to attract new audiences.  All year round quantitative and qualitative research project	Park Services	Welcome To Yorkshire VisitEngland / VisitBritain Scarborough Borough Council Highways England North Yorkshire County Council Redcar & Cleveland Borough Council  Emotional Logic Global Tourism Solutions (UK) Ltd	£2,820,400

<p><b>Other</b></p>	<p>Police – to provide additional resource to compensate for any issues arising from the development of the mine</p> <p>Geology / Archaeology – to ensure that data arising from the development of the mine is assimilated into the appropriate records</p> <p>Economic – to contribute to the development of local people for employment in relation to the development of the mine</p>	<p>Agreement with North Yorkshire Police regarding the use of the funding</p> <p>Implement a range of activities that integrate data into national and local records and contextualise with existing records and understanding</p> <p>Agreement with Scarborough Borough Council regarding the application of the funding</p>	<p>Summer 2017</p> <p>Annual Programme of work</p> <p>Annual payments</p>	<p>Polyhalite</p> <p>NYMNP Archaeology</p> <p>Polyhalite</p> <p>Polyhalite</p>	<p>North Yorkshire Police</p> <p>Sirius Historic England Yorkshire Geological Society</p> <p>Scarborough Borough Council</p>	<p>£497,990</p>
<p><b>Monitoring</b></p>	<p>To facilitate the delivery of the s106 agreement and ensure effective implementation of the planning permission</p>	<p>Regular meetings both operationally and strategically</p>	<p>Ongoing</p>	<p>Polyhalite</p>	<p>Sirius</p>	<p>£553,400</p>

## 4: Strategy 2021 – 2025

From May 2021, the maximum value resources will be available annually for each of the Landscape & Ecology and Core Policy D categories and this will require a new Plan.

To maximise the benefit of these contributions in compensating and mitigating the impact of the development on the special qualities of the North York Moors National Park, it is proposed that the focus of expenditure for these contributions moves from delivering discrete projects to contributing towards large scale strategic projects that deliver against a geographical or thematic priority. These projects will be developed over the next 2 or 3 years and integrated as part of the broader business plan for 2021- 2025, this will clearly necessitate wider consultation with groups in the geographical area or interest groups related to the theme to identify suitable compensatory and mitigatory projects. They may lever in additional funding and be delivered collaboratively with partners to maximise the opportunity presented by the funding available, though the specific targets and overall purpose of the s106 funds will remain the sole basis on which they are deployed. The activity will be delivered directly in some instances but grant schemes for the Landscape & Ecology and Core Policy D contributions will be developed. This will enable a wide range of partners to work collaboratively with us to deliver compensatory activities.

The projects will be developed over the next few years so that they are ready for delivery and could focus on a range of strategic landscape or thematic priorities including for example, a coastal enhancement project, the A171 corridor, individual dale enhancement schemes, specific improvements to benefit a particular habitat or species, access enhancements, enhancing tranquillity or a focus on the historic environment. This is seen as the most effective way of securing the necessary mitigation and compensation.

The funding could fund specific legacy activities for projects which replace Ryevitalise and This Exploited Land of Iron as well as initiating new stand alone strategic work.

## 5: Wider Implications

### 5.1 Impact on the Authority

Implementing such an ambitious scheme inevitably impacts on the Authority. In order to minimise the strain on the organisation, dedicated staff resource has been secured to implement the delivery of key elements of the s106. Projects that have minimal impacts on the day to day achievements of core business plan objectives have been prioritised for delivery during the life time of this Plan and where there are business plan targets that will be delayed, a strategy for their delivery and replacement with other activity is being devised.

The addition of Core Policy D targets to the Authority's woodland creation targets mean that the overall number of hectares required to satisfy both action plans will be difficult to achieve in the short term and the target allocated for this in the Business Plan has been stretched so that it will take longer than anticipated to achieve this. However, the Core Policy D scheme will not be suitable for all woodland creation projects and we will continue to work with landowners who wish to pursue this activity through other mechanisms, such as Countryside Stewardship, which will deliver against our broader woodland creation targets and ensure long term additionality.

The allocation of core staff time to support the delivery of the s106 agreement does displace budget that has been set aside for staffing to be reallocated to other priorities. Over the next 4 years, the amount of money provisionally allocated in the s106 budget to cover internal staff recharges is as follows:

2017	£101,614
2018	£95,488
2019	£82,872
2020	£82,872

These figures do not include the core Polyhalite team, the contribution made towards the new Tourism Post or allocations made for contractors and consultants. If fully utilised, these allocations would free up the equivalent value in the core staff budget for use on other projects that are currently unfunded. This displaced budget will be reallocated through the normal process of reallocating underspend in the budget annually in the autumn. Thus Members, the company and the public can be reassured that the s106 money is being spent on s106 activities and not on core NPA activity and like with the necessary mitigatory and compensatory work is not being inappropriately subsidised by the NPA.

## 6: Partners

Our priority is to work collaboratively with a wide range of delivery and strategic partners to maximise the impact of the compensation and mitigation contributions. These include government agencies, landowners and estates, conservation charities and groups (environmental and cultural), local authorities and tourism organisations as well as with Sirius Minerals. Some specific partners have been identified through the development of the project plan for the Landscape and Ecology contribution but these are not exclusive and other appropriate partners will be sought to ensure that expertise is utilised in delivering a range of projects to enhance the National Park and that the compensatory effects of the funds on the National Park environment are maximised.

## 7: Communications and Community Engagement

### 7.1 Our relationship with Sirius

The development of the scheme has taken place over a number of years and as such, the Authority has developed a good working relationship with the company.

A positive and constructive working relationship with Sirius has been developed during the early stages of the project and we are working collaboratively to ensure that the implementation of the development and the delivery of the s106 agreement run smoothly. The Authority is also the enforcement authority should any conditions be breached and our position should reflect this potential tension and ensure that our communications are factual and objective.

Our communications priorities are to

- engage effectively with our stakeholders
- demonstrate the achievements made through delivering the compensation and mitigation action plan
- ensure people are aware of and understand what is happening on the ground
- attend National Park related groups such as LAF and PLUG to explain rationale for approved projects and seek ideas for potential projects

### 7.2 Stakeholders

A major industrial development in the heart of the National Park is bound to arouse interest with a wide range of stakeholders. These will range from residents, voluntary groups, visitors, business owners, statutory bodies, the company itself and those with technical interests. Our key stakeholders are listed below along with our communication priorities

Local residents	Keep updated of changes and respond to issues from them
Visitors	Respond to any issues arising from the development that impact on visitor's enjoyment
Parish Councils	Regular updates at Parish meetings and Parish Forums to update on development and respond to issues
Liaison Group	Regular updates about the development and respond to issues arising
Businesses	Regular updates about the development and respond to issues arising
Environmental Organisations	Respond to requests for information about the development and promote the projects being delivered through the environmental contributions
Tourism businesses	Respond to issues raised by tourism businesses and support them to maximise the opportunities available through the tourism contributions
Tourism Organisations	Ensure all organisations are informed of other work so that there is complementary activity and tourism contributions are maximised
Sirius	Collaboratively work together to address issues arising from the development and proactively promote 'good news' arising from any compensation and mitigation work being undertaken
Staff /Members	Regular updates about the development and reports of work undertaken through Compensation & Mitigation action plan.

### **7.3 Communication Channels**

The way that we communicate about the development and the work that we are doing in compensation and mitigation of the impacts of development should complement our organisational communications strategy (due to be updated in 2018). A range of communication channels will be utilised including our website, social media, press and specialist publications, face to face meetings, presentations and newsletters.