

# North York Moors National Park Authority

25 September 2017

## Polyhalite Projects Update

### 1. Purpose of the Report

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

### 2. Background

- 2.1 Planning application NYM/2014/0676/MEIA, was granted permission on 15 October 2015. This included a s106 agreement to provide considerable resource to compensate and mitigate in specific ways against the assessed harmful impacts on the National Park arising from the development.
- 2.2 The contributions enable the Authority to monitor the development, ensure compliance with the planning conditions and deliver the compensation and mitigation elements of the s106 agreement Funds unclaimed/unspent on these activities are retained/returned to the company.
- 2.3 The s106 includes provision for security for the contributions made under this agreement for the North York Moors National Park Authority as well as for the contributions made to North Yorkshire County Council and this enables a long term approach to be taken in determining how the compensatory and mitigatory activities are delivered

### 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 with minimum negative impact on the Authority's other work. 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 and that is to compensate and mitigate for the impacts of the development of the mine. Where possible and appropriate, the activities have been developed to complement the existing objectives of the core Business Plan and the impact of this work on the organisation is considered and explained as part of this Action Plan.
- 3.2 The Plan explains the initial priorities for the first 4 years' spend over the range of contributions and more strategically, considers how the following 5 years spend will be prioritised. Detailed delivery plans are provided for the first 2 years, with known projects specified for years 3 and 4 and provisional sums allocated for additional projects in those years. Detailed annual action plans will be developed for the years 3 and 4 as priorities and opportunities for partnership working become available. In general terms though, the broad aims of the s106 agreement are to:
- Offset 10% of the carbon emissions of the development by planting 7155ha of mixed deciduous woodland cover in the National Park by 2117.
  - Mitigate and compensate for the impacts of the mine by raising the quality of landscape and ecology elsewhere in the North York Moors National Park.

- Increase the profile of the North York Moors to minimise the negative impact on the tourism economy of the North York Moors.

3.3 A number of Key Performance Indicators (KPI's) are proposed to assist in monitoring the delivery of the s106 agreement. These are:

- % of correspondence with Sirius Minerals conforming to Schedule 8 commitments of s106 (these are the Performance Standards specified in the s106 agreement).
- % or amount of s106 funding returned unspent.
- % of annual planting targets achieved for Core Policy D delivery.

#### 4. **Resources**

##### 4.1 **Finance**

4.1.1 The Plan explains the resource requirements for delivering the s106 and how these will be allocated from the contributions available in the agreement. The first part of this section details the financial resources available and how the income is allocated over the construction (nominally years 1-5) and post construction (nominally years 6-10) periods.

4.1.2 This is then followed by a detailed summary of how the contributions will be spent in year 1 and a projection of profiled staff costs over the first 5 years.

##### 4.2 **Staff Costs**

4.2.1 The primary resource requirement is for staff to deliver the s106 agreement and the Authority has now recruited a small core team to lead on this as well as monitor the development and lead on some of the specific areas of specialist delivery for Core Policy D and Landscape & Ecology. Time spent by staff and consultants on implementation of most aspects of the s106 agreement is chargeable to it. FRASC (5th June 2017) has recently agreed updated rates for charging staff time that include ones which charge the full costs to the Authority. The charges applied will take account of the nature of the work to be done.

4.2.2 Expenditure on staff resource (core, key and contingency) is expected to be heavier in the early years to take account of the need to establish the various schemes and programmes to deliver the objectives as well as develop relationships with stakeholders to ensure that the projects run smoothly in the years to come. This diminishes over time but there is capacity in the budget in later years to employ additional staff if the need arises.

4.2.3 Due to the complexity of the development, there is also provision within the staff costs to employ specialist consultants as required to advise on areas of expertise that are not available within the Authority such as technical issues associated with the ongoing development of the mine or specialist legal advice related to the s106 agreement, including future planning applications to change elements of the project and associated s106 perpetuation documentation.

##### 4.3 **Risks**

4.3.1 The Plan also considers and where possible, mitigates against risks associated with the s106 agreement. These will be incorporated into the Authority Risk Register.

#### 4.4 Objectives

- 4.4.1 The Plan addresses each contribution in turn and identifies the key activities that will compensate and mitigate against any harmful impact on the National Park arising from the development of the mine.
- 4.4.2 **Landscape & Ecology:** Because of resources, the short term (years 1-4) priority is to deliver discrete, relatively small scale projects that will compensate or mitigate one or more direct impacts of the mine development. This period aligns with the existing Authority Business Plan and allows the integration of the additional work brought about by the s106 agreement into existing workloads without causing unnecessary additional strain on the Authority. The report explains how compensatory projects are identified and prioritised in relation to the management plan objectives identified in the s106 agreement. Projects for years 1 and 2 have been agreed internally and have been detailed within the report but years 3 and 4 have not yet been fully allocated whilst opportunities for partnership projects and match funding for appropriate projects are identified and considered. An annual action plan for this work stream will be presented at the start of each financial year.
- 4.4.3 **Core Policy D:** This section explains how the carbon offsetting will be achieved and the woodland creation principles that the Authority has established for the fulfilment of this obligation and these will be applied to any agreements entered into with landowners. The report details the targets that have been set for the delivery of woodland creation for carbon sequestration. The new staff resources available for this have enabled 2 sites to be identified which will fulfil the target for year one. These are currently undergoing constraints checks and agreements with the landowners are likely to be in place this autumn with planting following over the winter. As the target for woodland creation is modest in year 1 and we will only pay establishment costs (as any other costs will not yet apply), it is unlikely that the entire year's contribution will be spent and approximately £50,000 will be carried forward into year 2. This is permissible in the s106 agreement and will be used in future years.
- 4.4.4 An additional 24ha has been identified already for year 2 and discussions are taking place with landowners to secure these sites. Some estates have come forward with potentially large schemes for delivery later on so there is confidence in achieving the annual targets set for the duration of this plan.
- 4.4.5 **Tourism:** 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 mitigate against the assessed harm to the tourism economy as a result of the development. The report explains how each of the contributions will be used to develop a programme of activity informed by (among other factors) the 10 year Tourism Impact Review to raise the profile of the North York Moors both home and abroad. Most of the contributions are delivered by third parties and it is an iterative process so the report does not detail the exact expenditure, but rather the direction of travel for each area of work.
- 4.4.6 **Other:** This section outlines the proposals for the delivery of the smaller and one off contributions over the next 4 years. These are for Geological and Archaeological data assimilation; contributions to the Police for providing additional resource as a result of the development, and; to Scarborough Borough Council to develop employment opportunities and for monitoring.

#### **4.5 Longer Term Strategy.**

- 4.5.1 Once the full annual contributions are received from year 5, the delivery of the s106 compensation and mitigation activities will be more strategic. Over the next 4 years, landscape scale projects will be developed and incorporated into the next iteration of our core business plan and integrated into delivery alongside our management plan activities. This section looks at the themes that this strategic work could encompass and the process for taking this forward.

#### **4.6 Wider Implications**

- 4.6.1 This section explains how the development has impacted on the other activity of the Authority both in terms of finance and workload.
- 4.6.2 Whilst considerable private sector resources can be deployed by the Authority through the s106 agreement, their use is limited for a specific purpose and inevitably, a project on this scale could have a disproportionate impact on the day to day operation of the organisation. With this in mind, early years activities in the Compensation & Mitigation Action Plan have prioritised discrete projects that can be delivered with minimal impact on the core business plan activities that the Authority has already committed to deliver. Undertaking activities through partners, contractors and with volunteers, complementing existing projects such as This Exploited Land, or implementing legacy activities for projects that are ending are key ways that we can deliver the s106 outputs without unduly impacting on our other targets in the early years.
- 4.6.3 Some existing staff time that was previously budgeted through the core budget will now be devoted directly to securing the s106 outputs and will be chargeable to that budget. This section also details the extent of this and how this underspend in the core budget has been reallocated. It should be emphasised that the routine budgets and core work of the Authority have not been reduced, though some reallocation of duties and projects has been made, allowing new areas of work to be initiated.
- 4.6.4 The project has created additional workload indirectly as the ongoing submission of details for the discharge of planning conditions and further planning applications for minor amendments to the development have required additional internal consultations with the Tree Officer, Archaeologist and Ecologist. There is also ongoing specialist planning condition monitoring required, particularly ecological monitoring on the development sites that require consultants who need briefing, which again takes up core staff time. Delivery of compensation and mitigation also requires additional constraints checks which impacts on internal staff time.
- 4.6.5 Some elements of the s106 compensation and mitigation relate to matters covered by other programmes that the Authority is committed to deliver (eg Local Tourism Business Contribution and LEADER) and this requires more time spent between teams to ensure effective coordination of these activities.

#### **4.7 Partners**

- 4.7.1 This section confirms our commitment to working collaboratively with a wide range of partners to ensure that the required beneficial impact of the s106 compensation and mitigation contributions are realised in an effective way. It gives examples of a range of partners who can help deliver the objectives detailed in the plan.

#### 4.8 **Communications & Community Engagement**

- 4.8.1 This section suggests a range of key communication priorities and identifies a range of stakeholders who should be engaged and informed as part of this process. It also restates our relationship with Sirius Minerals.

#### 5. **Financial and Staffing Implications**

- 5.1 This is included in the body of the report and in the Compensation & Mitigation Action Plan appended.

#### 6 **Contribution to National Park Management Plan**

- 6.1 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.

#### 7 **Legal Implications**

- 7.1 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. State Aid issues should not arise if those parameters are adhered to, however the Authority should also properly determine the appropriate value of payments to be made and identity and nature of recipients in order to eliminate as far as possible any suggestion that State Aid issues could potentially arise.
- 7.2 A section 73 modifying type planning application is currently lodged with the Authority and is due to be considered by the Planning Committee this autumn. As part of the processing of this application, legal processes are being followed to ensure all the relevant parts of the S106 Agreement are carried forward in the event that the material minor amendments are approved.

#### 8. **Recommendation**

- 8.1 That the proposals in the report are considered and that feedback is provided on the draft Compensation & Mitigation Action Plan so that a final version can be presented in December.

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#### **Background papers to this Report**

#### **File ref**

1. Compensation & Mitigation Action Plan (Draft)
2. Section 106 agreement
3. 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 primary 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 some actions in the core business plan have been changed and 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. Quarterly updates will also be provided to Sirius Minerals and an annual review will be undertaken to review 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 annual planting 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. Most of the contributions are paid automatically on the anniversary of the Commencement of Development and some are paid following a requisition notice to Sirius Minerals. Some of these contributions are to be used directly by the NYMNPA 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 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.

**Table 1: Recourses 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>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	
			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>Income</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	58263	5691	587	26143	77699	129255	180811	232367	283923	335479
<b>s106</b>	201480	230480	255080	279480	301480	301480	301480	301480	301480	301480	
<b>Total Income</b>	384745	288743	260771	280067	327623	379179	430735	482291	533847	585403	
<b>Expenditure</b>	326482	283052	260184	253924	249924	249924	249924	249924	249924	249924	
<b>Total to carry forward</b>	<b>58263</b>	<b>5691</b>	<b>587</b>	<b>26143</b>	<b>77699</b>	<b>129255</b>	<b>180811</b>	<b>232367</b>	<b>283923</b>	<b>335479</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. A new Woodland/offsetting Team has been formed incorporating two of the current Conservation team staff with particular responsibility for woodland creation and management as well as a dedicated Woodland Creation officer whose work will be eligible for funding via the Core Policy D contribution.

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.

**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 management plan objects that have been identified as providing compensation.
Projects are not delivered and funding needs to be returned	<p>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)</p> <p>Externally – ensure good relationships are maintained with third parties and put agreements in place that require partners to spend the money on agreed priorities.</p>
Tree Planting 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 and 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):

<b>Enhancements to visual and ecological quality of boundaries</b>	<b>Pond Enhancements</b>
<b>Woodland Improvements</b>	<b>Watercourse Enhancements</b>
<b>Wood pasture and Parkland Improvements</b>	<b>Historic Environment Features Enhancements</b>
<b>Infield Trees</b>	<b>Public Rights Of Way Enhancements</b>
<b>Grassland improvements</b>	<b>Tranquillity Enhanced</b>
<b>Environmental improvements to Heath / Moor</b>	

The contributions will not be used to undertake routine maintenance or work that is part of our core management plan delivery but will be used to undertake enhanced and additional works that provide a 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 NYMNP 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 Environment Agency
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 Farmers 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**

<b>Activity</b>	<b>Management Plan / Special Quality Reference</b>	<b>Lead</b>	<b>2017 – 2018 (£122500)</b>	<b>2018 – 2019 (£237000)</b>	<b>2019 – 2020 (£355500)</b>	<b>2020 – 2021 (£474000)</b>
Replacement of traditional post and rail railway fencing, initial element of a rolling programme.	E1, E2, E9, SQ8	Conservation	£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 Steps to Falling Foss in year 2	U2, SQ9	Park Services	£42000	£12000		
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		
Randy Mere Reservoir 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		£10000	£20000	£20000
R. Esk 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, and relevant elements of the R.Esk projects and the Ryevitalise project , accessibility projects and projects with the National Trust					£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. 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.

## 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.

The woodland 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

A woodland creation officer post has now been recruited through the s106 contribution to lead on the delivery working with landowners and agencies to identify woodland creation sites and develop a delivery programme.

Core Policy D work will be implemented following the principles below

#### Principles

- Woodlands must be retained long term to sequester carbon. Minimum length of initial agreement 25 years.
- 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.
- Maintenance and other contributions may be available.

**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>	£48000		£55000		£55000		£55000
<b>Projects already in pipeline Cost (capital plus maintenance and incentives) / Hectares / number of schemes</b>	£40800	10.645ha  2 schemes	£114000	24.409ha  5 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 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. 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.
Tourism Business Grant	£50,000*	Assisting local businesses related to Tourism 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 given its close proximity to the mine	Maximise opportunities for tourism in Whitby and where appropriate, align campaigns with others to maximise the benefit of the contributions.
Tourism	£400,000****	Provision of Directional	Enhance awareness of the North York Moors National Park along key routes in

Signage		Brown Signs giving advance notice of the North York Moors National Park to counteract negative impact of the mine	the north east of England. Complement with a suite of secondary signage within the National Park and area of influence.
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- \* 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.

### 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	NYMNPA Conservation Team/ Park Services	Built 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 Tree Team	Woodland Trust Forestry Commission	£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 contributions will be made annually for each of the Landscape & Ecology and Core Policy D categories and this coincides with the next iteration of the North York Moors National Park Authority Business Plan.

It is proposed that the focus of expenditure for these contributions moves from delivering discrete projects to developing large scale strategic projects that deliver against a geographical or thematic priority. These projects will be integrated as part of the broader business plan for 2021- 2025. 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 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 support the legacy of projects such as Ryevitalise and This Exploited Land of Iron as well as initiating new strategic work.

To take this forward, a working group will be established to consider these projects alongside the new business plan objectives and develop project delivery plans for implementation at the next stage of the s106 delivery.

## 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 not 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. However, the Core Policy D woodland creation scheme will not be suitable for all types of Woodland Creation and we will continue to work with landowners who wish to pursue this activity through Countryside Stewardship and continue to deliver against our broader woodland creation targets.

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 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. The next step is to agree how this displaced budget will be allocated.

## 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.

## 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

### 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
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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 and presentations and newsletters.