

North York Moors National Park Authority

27 July 2020

Polyhalite Projects Annual Summary

1. Purpose of the Report

- 1.1 To provide a summary report on the Authority's work on the implementation of the s106 agreement related to the development of the Woodsmith Mine during the third year of development. To agree a forward plan for year four.

2. Background

- 2.1 Work has continued over the past year to deliver against the s106 agreement associated with planning application NYM/2014/0676/MEIA, which was granted permission on 15 October 2015. The s106 contributions include Landscape and Ecology enhancements directly related to the objectives of the National Park Management Plan, a contribution for carbon sequestration under Core Policy D delivered through deciduous woodland creation and contributions to support Tourism and the Tourism economy.
- 2.2 The specific nature of the s106 agreement limits discretion in how the resources are defrayed. There is also an imperative to ensure that compensatory activities are determined and delivered within specific time frames, which differ for each contribution. Any deviation from the requirements of the agreement could result in contributions being returned to the developer.
- 2.3 In December 2017, Members approved the Compensation & Mitigation Action Plan which detailed the approach to deploying the resources provided under the s106 agreement during the development phase of the mine. This report details the activity of year three of this plan and outlines the plan for year four. Work has commenced on a range of landscape scale projects to be incorporated into the next iteration of the Authority's business plan from April 2021. These will deliver the required mitigation and compensation and be integrated into delivery of other management plan activities.
- 2.4 In the past year, due to issues related to funding for the project, and latterly, due to Covid 19, progress on the development slowed considerably. In the autumn of 2019, Anglo American made a bid for Sirius Minerals and acquired the company in March 2020.

3. Planning, Comms and Legal

- 3.1 Key planning activities over the period 4 May 2019 to 3 May 2020 have included:
1. Discharge of conditions relating to ongoing construction works at Woodsmith Mine (construction phases 9 -12). These phases cover a range of detailed matters including shaft sinking arrangements, materials handling and landscaping, on-site storage, blast monitoring and mitigation, environmental management and ecology.
 2. Processing of requests for non-material amendments to the 2018 planning permission, including a revision to the boundary of the Ladycross Plantation satellite shaft site.

3. Completion of a supplementary Section 106 agreement and related legal agreements and confirmations with reference to the above non-material amendment application.
4. Liaising with the Sirius Minerals and Anglo American during the transition of the business into new ownership.
5. Dealing with requests for temporary approvals for minor changes to site development and working arrangements in response to Covid-19 guidance.
6. Responding to consultations from Redcar and Cleveland Borough Council on matters relating to conditions discharge and non-material amendments for elements of the overall mine project located outside the National Park.
7. Monitoring of site activities in relation to the requirements of planning conditions particularly in relation to noise, lighting ground and surface water quality, site infrastructure, landscaping and ecology.
8. Recalculation of Reinstatement Bond and Escrow security confirmed.
9. Maintaining liaison with other relevant organisations, including the Environment Agency, Natural England, Highways Authority and the Environmental Health Authority, including formal liaison meetings between NPA, EA and Environmental Health Authority staff in December 2019.
10. Responding to planning-related enquiries connected with the Mine development and attending meetings of the established community liaison and traffic management fora.

4. **S.106 Compensation and Mitigation Activities**

In the past year (2019/20), the following works have been undertaken and are summarised below:

4.1 **Landscape & Ecology (£390,434)**

- 4.1.2 The Landscape & Ecology Contribution is made to mitigate and/or compensate as far as possible for any residual impact of the Development on landscape, tranquillity, special qualities or ecology in line with the Management Plan Policies listed in section 7 of this report.
- 4.1.3 Details of each of the Landscape & Ecology Projects delivered in year 3 and how they relate to the Management Plan Objectives are shown in **Appendix 1**.
- 4.1.4 These projects were identified internally and with partner organisations and selected on their ability to be delivered within the resource capacity of the authority. All of the projects had to demonstrate conformation with at least one of the Management Plan objectives. Projects were delivered by staff, volunteers, partners, contractors and apprentices between 1 May 2019 and 30 April 2020. A small number of projects have been carried forward to complete in the summer of 2020 due to various constraints related to Covid 19, weather, permissions and health & safety that has delayed them.
- 4.1.5 The s106 agreement allows for funding to be carried forward for a maximum of 3 years if necessary.

4.2 **Core Policy D (£444,798.00)**

4.2.1 The Core Policy D Contribution is made to offset 10% of the carbon generated through the operational stage of the mine via the planting of mixed deciduous woodland within the North York Moors National Park.

4.2.2 The internal target for Woodland Creation for year 3 was 50ha, contributing to a target of 220 ha in the first 5 years of construction. In total, 12 schemes were identified totalling 49.35ha. Some of the planting was delayed due to lockdown associated with Covid 19 so these projects have been carried forward to the 2020 winter planting season. A total of 28.09 ha of woodland were completed this year and cumulatively, around 70ha has been delivered since the commencement of development. Further detail of the planting projects are summarised in **Appendix 2**.

4.3 **Tourism**

A number of contributions are made to mitigate and/or compensate for impacts on the Tourism Economy in the North York Moors. Some of these contributions are delivered through third parties and others are delivered directly through the North York Moors National Park Authority. A summary of the marketing and promotional activity generated to deploy these contributions can be seen in **Appendix 3** and highlights include The Lost Words Exhibition, the Dark Skies Festival, celebrations for the Cleveland Way 50th anniversary and BBC Countryfile Live.

4.3.1 **Scarborough Employment Opportunities (£53,200)**

This contribution was paid to SBC for the purposes of promoting Whitby as a tourism destination. This contribution was not used this year as it was intended to be spent on a range of events in the spring of 2020 which were cancelled due to Covid 19. It has been agreed with Anglo American that this contribution is carried forward to be spent in 2020.

4.3.2 **Tourism Impact Review**

The Tourism Impact Review is ongoing. The temporary winding towers at the Woodsmith and Lockwood Beck sites continue to have a significant visual and landscape impact.

The outcomes of this research will influence how spending from the other tourism contributions will be prioritised in the future and what level of contributions beyond those already agreed (if any) are needed to compensate for the impacts of the mine.

4.4 **Other Contributions**

4.4.1 **Archaeological Data Contribution (£23,940)**

This contribution is made to assimilate archaeological data related to the development into the local archaeological record. This year, following analysis of the Lidar data collected during the project development and completion of the site verification work at the end of 2018-2019, Archaeological contractors Solstice Heritage completed their reports in August, which included recommendations for further work. As a first step towards increasing understanding of some of the important new sites identified, Solstice were commissioned to undertake a detailed topographic survey of three areas of previously unrecorded earthworks on Stanghow and Moorsholm Moors, which was completed in March 2020. The areas surveyed include a Bronze Age burial mound as well as a series of interlinked enclosures which are thought to be a prehistoric settlement (possibly late Iron Age) surrounded by many phases of associated field systems. Further details are described in Appendix 4.

The scope of this work is limited and is defined in the S106 agreement. The first year's contribution made for Archaeology was £23,265. Total expenditure from this contribution since May 2017 is £18,399 and therefore £4,866 will be returned to Anglo American under the S106 agreement terms.

4.4.2 **Geological Data contribution (£23,940)**

Similarly, this contribution is made to assimilate geological data related to the development into the local geological record. The main geological data collected through cores and seismic data is logged with the British Geological Survey by Anglo American.

Working with Leeds University, a PhD research student, Ailsa Roper, was recruited in September and is undertaking research on Ocean Nutrient Cycling in the Late Triassic to Early Jurassic period using data collected from the Woodsmith site and other sites local to the mine development. This research will aim to further our understanding of the environmental conditions of the area during a relatively unknown geological period in this region. Further details are described in **Appendix 4**.

4.4.3 **Police (£150k one off payment)**

The payment to the Police was made in 2019.

4.4.4. **Scarborough Borough Council Employment (£43,931)**

This contribution was paid to SBC for the purposes of identifying and preparing local people for employment opportunities during the construction and operation of the development. In the past year, the contribution has been 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 and providing transferrable skills for employment at the mine once it is operational.

In addition to the payments made as part of the s106 agreement, Anglo American also has obligations to support local employment opportunities. This has been undertaken in the form of recruitment and employment support, apprenticeships for 14 advanced engineering trainees and a significant education outreach programme. More detail can be seen in **Appendix 4**.

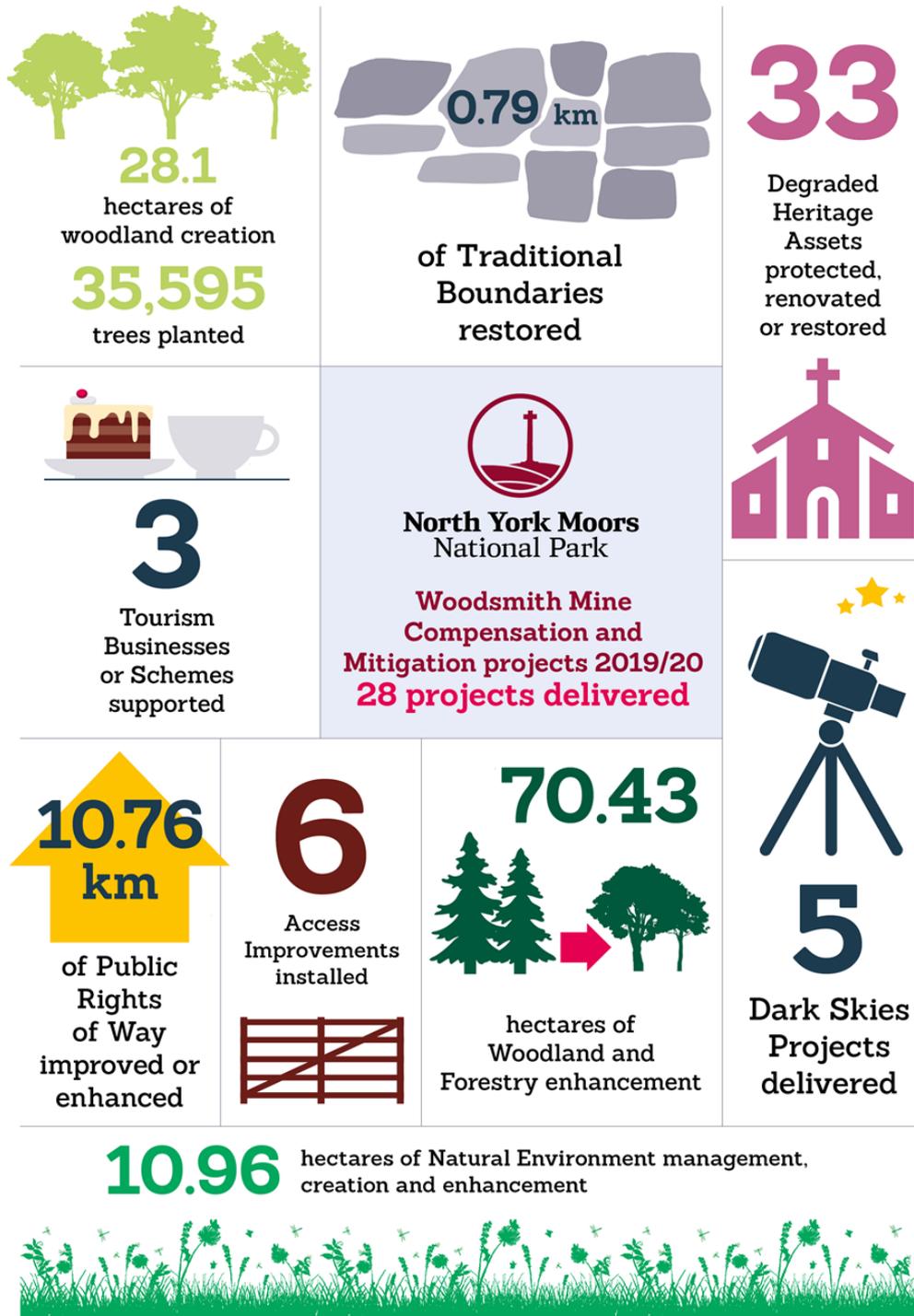
4.4.5 **Monitoring (£111,560)**

The monitoring contribution has been used to fund staff costs directly related to delivering the Polyhalite Projects such as the Senior Minerals Planner and the Polyhalite Projects Manager as well as paying for legal fees, technical fees and some corporate staff time recharges.

4.4.6 **Liaison Group**

The liaison group was established at the end of 2016. It meets quarterly and provides an opportunity to facilitate liaison between local stakeholders about construction, providing updates about progress and to enable any concerns to be raised and resolved. The meetings are well attended by both locally elected representatives and the general public and representatives from Anglo American, North Yorkshire County Council and the North York Moors National Park Authority.

Infographic showing 2019 - 2020 project summary



5. **Summary of 2020 - 2021 Proposed Activity**

The activities in each of the sections below follows the programme in the Compensation & Mitigation Action Plan agreed by Members in December 2017.

5.1 **Planning**

Discharge of detailed matters required to be agreed under the 98 planning conditions attached to the planning permission is taking place on a phased basis, reflecting different main stages of construction activity. Twelve such phases have been processed to date. This process is expected to continue during 2020/21, including discharge of details relating to the later stages of shaft sinking activity, preparation for commencement of tunnelling from the Woodsmith site and further materials handling, landscaping and management works relating to deposit of material extracted from the shafts and transport system tunnel.

As has been the case during the first three years of construction, it is likely that the developer will also continue to seek approval for minor 'non-material' amendments to the permission, as opportunities to refine the construction methodology arise, for example through use of new technologies and equipment. The recent acquisition of the development by a new owner, and the need to respond to issues arising from Covid-19 restrictions are both likely to be relevant in this respect. The specific nature of such requests cannot be foreseen at this stage. It is also expected that proposals for changes to working arrangements at the Lockwood Beck site will come forward, on which the Authority will need to respond as a statutory consultee.

In some cases, such refinements to implementation of the scheme could give rise to proposals for more substantive revisions to the scheme to be proposed, leading to a need for a minor material amendment application. Whilst officers are not aware that any such proposals are currently being contemplated, this is a matter which will continue to be kept under review through the regular liaison taking place between officers and the developer.

Monitoring of the implementation of the development, including through liaison with other regulators, will form a key component of planning activity during the year. Significant construction milestones expected during 2020/21 include commencement of main shaft sinking activity following installation of the Shaft Boring Roadheader in the Service shaft and the preparation of the Production foreshaft for shaft sinking; commencement of the main shaft sinking stage in the MTS shaft including use of blasting for shaft sinking purposes, and; undertaking of more extensive materials handling and landscaping work to deal with arisings. Progress on completion of permanent soft landscaping works on screening mounds will also be a focus over this period. These are all matters which require careful monitoring in order to ensure that construction impacts are contained within agreed limits and that implementation of permanent structures is successful in order to minimise longer term operational stage impacts in line with approved objectives.

5.2 **Landscape and Ecology**

The following projects will be delivered through the Landscape and Ecology Contribution in 2020/21

These projects have been developed in line with the Conservation & Mitigation Action Plan approved in December 2017, the Management Plan objectives specified in the s106 agreement and the supporting papers to the original planning application. They are additional to the core work of the Authority currently being delivered through the Business Plan and go beyond statutory requirements placed on the NPA.

The projects have been scrutinised by our internal legal advisers to ensure compliance with the s106 agreement and have been approved by Anglo American under the Landscape & Ecology notice served in June 2020.

| s106 2020-2021 Projects | Scope of work | Y4 Contribution £533,364 |
|--|--|-------------------------------------|
| Admin (Max 20%) | staff costs, fees, consultants | 51,900 |
| PROW/Access | | |
| Coastal Cycle Link | Contribution to enable grant funding into a feasibility study to create a 'missing' cycle link between Whitby and Staithes using the old railway. Potential to fill the missing coastal link in the National Cycle Network. | 10,000.00 |
| Lyke Wake Walk | Continued surface enhancements between Jugger Howe and Lilla Cross | 5,000.00 |
| Tabular Hills Walk upgrades | Upgrades to Sections 23&24 Levisham-Farwath, 26&28 Stape, 42&43 Hutton le Hole. | 15,000.00 |
| Sutton Bank Cycling and Walking - Access/Safety Improvements | Move the crossing for the Cleveland Way from the top of Sutton Bank to give better visibility and improve safety. New link between White Horse Path and Cleveland Way. Create off road section for National Cycle Route 656 to keep cyclists off A170. Also link for new Tramper route at Sutton Bank. | 6,500.00 |
| Dismantled Railway Line, Goathland. | Surface and drainage improvements to improve accessibility for walkers, cyclists, horses and Tramper mobility scooters. | 15,000.00 |
| Urra Moor | Urra Moor. Access Improvements to Bridleways linking to Urra Moor to resolve drainage issues to allow horse use. Currently restricted access for certain user groups. | 3,000.00 |
| High Kilburn | Surfacing of signed public footpath currently impossible to walk on due to damage. | 2,500.00 |
| Cleveland Way – Robin Hoods Bay | Easy access improvements. Widening and surfacing to bring it up to Easy Access standards. | 5,000.00 |
| Tramper Route Development | Additional work to develop new Tramper routes at Sutton Bank and Ravenscar | 10,000.00 |
| Tramper Site Audits | Annual audits and site inspections for two locations. | 790.00 |
| Woodland Management | | |
| Farndale | Conifer removal and replacement with broadleaves in keeping with other native woodland. | 6,500.00 |
| Slacks Wood | Conifer removal and replacement with broadleaf plus bracken control | 25,000.00 |
| Bumble Wood | FE partnership. PAWS Restoration Bumble Wood. Woodland and forestry enhancement measures on existing woodland, including woodland management, woodland edge softening, continuous cover forestry regimes to retain and improve the visual appearance of the landscape. | 10,000.00 |
| Skiplam Wood | PAWS replanting of broadleaves on an ancient woodland site which has recently had conifers felled from it. | 14,000.00 |

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| Management, creation and enhancement of Natural Environment | | |
| Ryevitalise | Additional projects related to the Landscape Partnership Scheme to conserve, enhance and restore the natural and cultural heritage of the area, enabling people to reconnect with the history, wildlife and landscapes of the River Rye and its tributaries | 141,400.00 |
| Blue Corridors | Project to restore ecological functions and processes within the River Esk and Rye catchments by restoring in-channel habitats, controlling invasive-non-native species and improving provision of sustainable access | 71,222.00 |
| Beavers | Beaver monitoring programme during enclosed release trial at Cropton Forest | 10,000.00 |
| Water Vole Project | Forestry England project to restore approx. 3km of watercourse and streamside and 1ha of wetland habitat to benefit water vole and other threatened species including bordered fritillary butterfly. | 7,000.00 |
| Dark skies tranquillity enhancements | | |
| Dark Skies | International Dark Sky Reserve and Lighting Improvement Scheme | 50,000.00 |
| Restoration of degraded heritage assets | | |
| Spout House, Bransdale. | Thatching, pointing, plastering and internal improvements to a grade one listed and historically important thatched cruck cottage in Bransdale. The project will include traditional skills days using natural materials for locals and homeowners to learn how to sustainably maintain traditional buildings. | 10,000.00 |
| Hinderwell Clock Restoration | Maintenance of historic village clock | 750.00 |
| Monument Management Scheme | Identification and conservation of historic monuments | 29,000.00 |
| Historic Signs and Boundary Stones | Project to repair, reinstall and replace historic signposts and boundary stones within the Park. | 10,000.00 |
| Traditional Boundary Restoration | | |
| Overdale Farm/Cleveland Way Dry Stone Wall | Repair and restoration of approximately 150m of dilapidated dry stonewall alongside the Cleveland Way at Overdale Farm. | 8,000.00 |
| Kettleness Hedgerow Restoration Scheme | A hedgerow restoration scheme to restore traditional hedgerow boundaries and create habitat linkages between gill woodlands. The restored areas would be close to the Cleveland Way and very visible in the landscape | 15,000.00 |

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| A171 Drystone Wall Restoration | Restoration scheme to repair/restore the dry stonewall linear network in the Dun Bogs/ Lady Cross area providing visual improvements on the major arterial route. | 22,500.00 |
| | Total Cost (inc £21,698 underspend from 2019/20 carried forward) | 555,062.00 |

Over the early years, the scope of projects will ensure that compensatory activities reflect all of the compensation and mitigation priorities of woodland, natural environment features, historic landscape features, ecology, boundaries, Rights of Way and tranquillity.

Work has commenced on the development of strategic landscape scale projects and these will be discussed with Members prior to a series of strategic area action plans being developed for Member approval. These will need to relate to compensatory activity for visual and other impacts of the development. These will continue to be developed for delivery from 2021 concurrently with the next iteration of the Authority's Business Plan.

5.3 Core Policy D/Carbon offsetting

Deliver at least 60 ha of Mixed Deciduous woodland across the National Park meeting the criteria agreed by Members and within the set cost envelope. Plans are well advanced for around 99 ha and officers are reasonably confident that the target will be met.

5.4 Tourism

We will continue to work with our tourism partners to deliver an integrated marketing campaign to promote the North York Moors to domestic and international markets using a wide range of activities and media.

We will continue to research the impact of the development on the tourism economy through the Tourism Impact Review.

We will evaluate the impact of the marketing activities and use this information, coupled with data from the Tourism Impact Review, to inform our marketing priorities for future years.

We will continue to support local tourism business with the Local Businesses Tourism Contribution.

5.5 Other Contributions

5.5.1 Archaeology

We will continue to assimilate data from the development and Lidar Project into the Historic Environment Record.

5.5.2 Geology

We will continue to support the Geological Research Project and act as a liaison between Leeds University and Anglo American to ensure this work is delivered.

5.5.3 **SBC Employment**

We will agree a programme of work and pay over the contribution to Scarborough Borough Council. We will continue to ensure that progress continues on promoting local employment opportunities through the Anglo American Action Plan.

5.5.4 **Monitoring**

Continue to Liaise with Anglo American regarding the development and procure appropriate technical and legal advice as required.

5.5.5 **Liaison**

Continue to represent the authority on the Liaison groups.

6. **Financial and Staffing Implications**

6.1 A financial summary for year three and a budget for year four is included in **Appendix 5**.

7. **Contribution to National Park Management Plan**

7.1 The activities delivered through the delivery of the s106 agreement deliver against the objectives of the management plan specified in Schedule 4 of the s106 agreement (E1, E2, E5, E7, E8, E9, E10, E11, E12, E13, E14, E15, E19, E20, E36, E37, E38, E39, E40, E41, U2, U7, B10 & B11).

8. **Legal Implications**

8.1 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. As the monies are from a private source and are regulated and repayable in accordance with the S106 provisions, 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 are not expected to arise for any of the contributions if those parameters are adhered to. The post EU position is clearly evolving quickly. Should issues around subsidy and competition arise, the Authority should be able to process/manage/record them, for example through de minimis arrangements. To monitor and manage risk the Authority will continue to determine and monitor the appropriate value of payments to be made.

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| <h2>9. Recommendation</h2> |
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| <p>9.1 That, Members note the report and confirm the arrangements to utilise the 2020 /2021 Landscape & Ecology Contribution.</p> |
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1. S106 Agreement
2. Compensation & Mitigation Action Plan