North York Moors National Park Authority

Public Minutes of the York Potash Ltd Pre-application Presentation to Members

held at Raven Hall Hotel, Ravenscar on 14 July 2014 at 1.30pm

Members of the National Park Authority present: Jim Bailey (Chair), Malcolm Bowes, David Chance, Alison Fisher, Janet Frank, David Hugill, David Jeffels, Christopher Massey, Sarah Oswald, Caroline Patmore, Ted Sanderson, Andrew Scott, Hawson Simpson, Richard Thompson, Herbert Tindall, Jeremy Walker

Officers on behalf of the National Park Authority in attendance: Andy Wilson (Chief Executive), Chris France (Director of Planning), Mark Hill (Head of Development Management), Jane Davies (Senior Planning Policy Officer – York Potash Project), Peter Jones (Planning Team Leader), Rachel MacIntosh (Communications Officer), Fiona Farnell (Administration Assistant), Trevor Parkin (AMEC), Neil Marlborough (AMEC), Clare Bevan (Solicitor to Yorkshire Dales National Park Authority)

York Potash Ltd representatives present: Chris Fraser (Chief Executive, York Potash), Graham Clarke (York Potash), Gareth Edmunds (York Potash), William Woods (York Potash) Justin Gartland (Nathaniel Lichfield & Partners), John Rhodes (Quod), Sian John (Royal HaskoningDHV)

Members of the public present: Andy Barwick, Raymon Barwick, David Boland, Paul Campbell (Redcar and Cleveland Borough Council), Tom Chadwick (North Yorkshire Moors Association), David Clayden (Natural England), John Cook, Alison Crawford, David Cunion, Nigel Custane, Ian Dixon, Sharon Dixon, Mr Dyson, Mrs Dyson, G Earl, Keith Froggatt, Joe Green, Mr Halley, Rebecca Harrison, S Hodgson, Helen Hodges, Mike Holliday, Janet Horne (Redcar and Cleveland Borough Council), Vanda Inman, Pam Johnson (North Yorkshire County Council – Highway Authority), Heather King, Paul Locky, Janet Marron, Adrian Miller (Redcar and Cleveland Borough Council), Paul Medd, Gary Moss, Andy Newham, Hazel Perceval, Harry Perceval, David Precious, David Pybus (Cleveland Potash Ltd), K Robinson, David Sidebottom, Kevin Smith, Margaret Smith, Richie Tresise, Paula Topping, Mrs Trafford, Mr Trafford, Adrian Upton, Margaret Wakefield (Yorkshire Coast Minerals), David Walker (Scarborough Borough Council), Andrew Weston, Andrew Williamson, Sue Wilmington, Liz Worthy

Apologies from: Bill Suthers, Bryn Griffiths

Introduction by the Chair

Jim Bailey welcomed everyone to the meeting, confirming that no application had yet been received and therefore it was not a decision making meeting.

Declarations of Interest

David Jeffels – Personal Interest as a Member of both Scarborough Borough Council and North Yorkshire County Council

David Chance - Personal Interest as a Cabinet Member of Scarborough Borough Council and a Member of North Yorkshire County Council and has taken no part in any discussions with regard to York Potash at either Council.
Presentation by National Park Authority Officers

The Director of Planning and Head of Development Management jointly made a powerpoint presentation, which is available on the Authority’s website. The presentation covered the following topics:

- Benefits of pre-application engagement
- York Potash Proposals - outline
- Changes from the withdrawn application
- Pre-application activities
- Working with partners
- How the Authority will determine the planning application
- Policy position and the Major Development Test
- Planning Assessment – key issues
- Consultation opportunities

Presentation of development proposals by York Potash Ltd

The Chief Executive of York Potash Ltd made a powerpoint presentation, which is available on the Authority’s website. The presentation covered the following topics:

- York Potash Ltd and the York Potash Project
- Global food security challenge and the value of balanced fertilization
- Polyhalite and Nutrient content – the area contains the largest highest grade resource of polyhalite to be found anywhere in the world. Polyhalite contains four of the six essential plant nutrients
- Crop trial results – trials currently taking place in ten countries across the world – on wheat, potatoes, corn, sugar cane, soya beans
- Global demand and available markets – marketing contracts are in place
- Cash operating margins – robust business case
- Innovative project design and sustainable development approach
- Mine surface design at Dove’s Nest Farm and operational view – not building a typical potash mine - the site will effectively disappear into the landscape because of the deep shafts and tunnels - only amenity and safety buildings will be seen
- Mineral Transport System with three access points – the change from the pipeline to the MTS reduces the number of buildings needed at Dove’s Nest Farm and reduces the amount of energy required. Buildings at access points will have small footprint
- Materials Handling Facility at Wilton and Harbour Facility at Teesside
- Exceptional economic benefits including 2000 direct and indirect jobs in production, contributions to UK GDP and value of exports, tax receipts and local payments, creation of apprenticeships and investment in community projects
- Alternative Sites Assessment carried out taking into account wide ranging mining and environmental constraints – two focus points for the assessment are Whitby Enclave and Cloughton area – some difference of opinion but company view is that fault zones outside the National Park mean the alternatives to Dove’s Nest Farm are not viable
- Environmental Impact Assessment (EIA) – detailed EIA being carried out. The project will have an impact, mainly during the construction phase but the highest standards of
ecological protection are being adopted and extensive mitigation embedded into design. Advice from NPA and AMEC useful for this detailed work.

- Visual impacts – large winding towers will be visible during construction, bunds will screen the site in longer term
- Mine excavated material management
- Traffic and transport – extensive modelling carried out and discussions held with Highway Authority. Timing of HGV movements would be restricted and would work around school runs
- Noise, dust and lighting during construction period
- National Park Special Qualities – challenges in assessing impact of development on Special Qualities – company is working with officers and the Management Plan is a good framework

Questions from National Park Authority Members:

Q  Do your plans include mining for silvinite or rocksalt?
A  This may be considered in the future. The mineable silvinite reserve cannot be defined from the surface and YP understands that it may be more variable further south but the potential for mining silvinite could be investigated in the future. Rocksalt could easily be added in and the company has had preliminary conversations with the Highway Authority about the possibility of providing rocksalt for use in exceptionally hard winters.

Q  What measures are in place to ensure the long term sustainability of the York Potash Foundation and projects for local communities in the event of the owning company changing hands?
A  The Foundation has been set up with binding contractual commitment in place between York Potash and the Foundation and the intention is that these commitments cannot be unwound. The Foundation has three members, two independents and one from York Potash and has seven trustees, four external, independent persons and three representatives from York Potash.

Q  Changes to the proposed transport system mean a much reduced impact on the moorland landscape which is a positive shift, however it would bring development to a new site at Lady Cross plantation with excavated Redcar mudstones being spread within landscaped mounds with a proposed maximum height of eight metres. Is it not possible to take the excavated material to Teesside?
A  YP believes the sites can handle the additional excavated material. It could be moved from the access shaft site but this would mean an increase in HGV movements. The company believes that management of the material at the sites is a better option.

Q  You referred to marketing agreements for 5 million tonnes of polyhalite – are these contractual commitments?
A  YP has contractual commitments for 1.5 million tonnes in two contracts in North America and China. One of these, for 0.5 million tonnes is unconditional. The contract in China has conditions relating to crop trials. There are a range of other agreements and discussions are currently taking place with other companies. YP has done a considerable amount of forward marketing linked to financing the project and it should be understood that fertilisers are normally bought in the season prior to application, whereas YP’s proposed production is still five years ahead.
Q How does YP’s planned production of polyhalite relate to current world consumption?

A Current consumption is approximately 100,000 tonnes and we understand that Boulby mine’s planned developments would enable production of 600,000 tonnes pa. However, the total market for nutrients contained in polyhalite is much greater. The company’s study of the market potential at various pricing points suggests the available market could be three times the planned production.

Q It appears that the huge economic benefits are related to huge outputs. Is it reasonable to assume that polyhalite consumption would go up from 100,000 tonnes to 13 million tonnes? If this proposal did not go ahead, where would fertiliser companies get their source nutrients from and what are competitors’ reactions likely to be?

A It is generally agreed that there is a wide spread under application of fertilizer as farmers buy according to what they can afford. Today people buy many different products and, because YP will be offering a competitive price, polyhalite will be a viable choice for consumers who are already buying the same nutrients in a different form. The company is not intending to come in and supply the whole market and we can only know what competitors’ responses will be once production starts. Buyers currently pay $200 per tonne to obtain the nutrients in polyhalite and YP will be providing them at a discount.

Q Can you share the details of the marketing agreements with NPA officers?

A This area is very confidential but we have provided officers with information and there is confirmation from NOMAD that the information provided is an accurate representation of the marketing documents. The contract in China is a fixed contract for 3 years, the one in North America is based on formulae.

Q Tourism in Whitby represents 26% of the local economy and it has taken a long time to increase the value of tourism, for example, by extending the season. There is concern that the increase in traffic on the A171 will stop people coming to the area.

A Details of the increase in traffic and the numbers of extra HGVs per day are given in the brochure entitled ‘The York Potash Project Explained’.

Q Has the company acquired the other sites?

A Agreements have been reached for all the MTS access shaft sites.

Q Can you explain the use of explosives during construction – how wide an area would be affected?

A For the three shafts at the mine site there would be one blast per shaft per day over 18 months. The works are being planned to have minimal noise impacts and noise assessments are being carried out. Screening and bunds will provide mitigation and there will be public information about when blasts will be carried out. Details of the zones of influence will be included with the planning application.

Q When people think about mining, they envisage pollution, emissions, chimneys and greenhouse gases - how does this mine compare?

A A polyhalite mine is very different from a potash mine. There will be no processing of the mineral at Dove’s Nest Farm so no requirement for chimneys with emissions.
Granulation at Teesside would be a physical not a chemical process, so again no chimney stacks. Power would be taken from the grid with only emergency generators.

Q Last year, there were outstanding issues with regard to Habitat Regulations Assessment, have these been resolved? Will the assessment be ready by September?

A The company is preparing an HRA assessment for the whole of the York Potash Project. The screening assessment has looked at the North York Moors and Teesmouth and Cleveland Coast protected sites and has been submitted to Natural England. At present Natural England’s primary concern is the impact of the port development on the tidal estuary system and inter-tidal habitats; there is less concern about the impact of the tunnel development. A draft HRA assessment will be submitted to both Natural England and the Authority prior to September.

Q How will the local economy and the local labour market be affected? Is it possible to have 80% local employment during construction when many areas of work will be quite specialised? Will there be a local labour requirement?

A The company’s aim is to have 80% local employment at full production and 50% during construction. Some of the construction contractors will be specialised, for example shaft sinking companies and tunnelling construction companies which are likely to bring their own workforce. However, there are also non-specialist construction roles and the aim is to bring in specialist contractors only if none are available locally. The company will try to encourage use of local labour although the opportunities during construction may be limited.

Q During the construction phase, where will the specialist contractors’ workforce live? Is the planning application for the construction village also timed for September?

A The planning application for the construction village, located outside the National Park close to Whitby Business Park, is also due to be submitted in September. It would include a park and ride facility and discussions are ongoing with Scarborough Borough Council. The construction village is a ‘fall-back’ position and it will be up to the contractors whether it is taken up. The company has been engaging with civil contractors who are submitting prices for the construction work.

Q Regarding tourism, there will be a significant visual impact during construction, are the results of the Ipsos Mori visitor survey available?

A Yes, a survey has been completed and the results will soon be passed to NPA officers. It was a survey of 5000 people, and will be important in assessing people’s perception of the impact of the mine, including the temporary construction towers.

Questions from partners, consultees or other persons present at the Chairman’s discretion:

Andy Williamson – Will there be any long term subsidence?

YP – There would be no damaging subsidence impacts either now or in the future. Polyhalite is a competent rock and overlying strata would be supported by rock pillars so there would be very little or no movement. The company has carried out work for the Ministry Of Defence at Fylindales which supports this point.
Tom Chadwick – North York Moors Association – In comparison with the application last year, there is now an additional 1.4 million cubic metres of spoil being generated from the Mineral Transport System. In terms of development sites, there is now the land at Dove’s Nest Farm, 50 hectares at Lady Cross Plantation and 50 hectares at Lockwood Beck. How is it possible to say that the overall footprint of the development is less?

YP – We do not agree with this as it ignores the footprint that would have been associated with the pipeline works. The company’s statement about the reduced footprint refers to the construction activity at all sites. There are smaller buildings at Dove’s Nest Farm and the buildings at the MTS access sites are also small.

David Cunion – CPRE member – What are the 5-15% impurities in polyhalite?

YP – The product is 90% polyhalite, with the remaining 10% anhydrite, magnesite and halite. These will not be removed as they simply represent more magnesium, calcium and sulphur in the product. Trace elements also exist (boron, manganese, zinc) which are not of economic value but have agricultural benefits. Please look at the company’s website to see the trials.

Ken Smith – With separate planning applications for the mine and the MTS application, what will happen if one gets refused?

YP – The company would not proceed until both are approved.

Sue Wilmington – What happens if delays mean you cannot get your dream construction team?

YP – The construction team has not yet been appointed. We are at the pre-qualification stage for the MTS and about to start that for the shaft construction with tenders being sought from around the world. The company aims to get the best contractors with safety being paramount. At present we have the attention of the best in the world.

David Bowland – Will there be an environmental impact statement for the tunnel?

YP – This will be provided with the planning application. Some draft chapters are ready.

Paul Coupling – I am worried about the tranquillity of the area – when the site is in production will there be a low level background hum

YP – The expectation is that there should be no noise as the main winders will be sunk below ground level and contained within a sound-proofed building. The only exception may be temporary noise from an above-ground back-up generator when in use.

Hazel Percival – How robust will the planning conditions be, will there be a Section 106 Agreement and how easy is it to get a condition overturned?

NPA – We are in discussion with York Potash about planning conditions and Section 106 Agreements which would both be part of the public engagement process. We have currently outlined 80 draft planning conditions. Planning conditions are very robust and the Authority can employ a range of enforcement tools. An applicant can however, appeal against a planning condition and this would then be considered by a Planning Inspector. Part of a potential Section 106 agreement would be to employ a monitoring officer to oversee the project.

Tom Chadwick – North York Moors Association – At the recent touring displays, there was no mention on the panels about the proposal being within a National Park.

YP – We are fully aware of the proposal being in the National Park and we do not believe we have misled people and there has been no intention to mislead people.
David Cunion – CPRE member – The marketing plan depends on the price of the product – what is the proposed price and what would be the implications of cost overruns?

YP – The company's contracts with customers are confidential documents and as this is a commercial venture, some information must be protected. The question relates to the resilience of the project - we have employed independent experts to provide us with cost information and we use our judgement. Our case must be sound enough to attract capital to fund the project.

Ian Dixon – There seems to be a lot of concern about tourism but we need better jobs in Whitby. Local people cannot afford houses as the prices have increased and this project is an opportunity to get better jobs in the area.

Liz Worthy – We need better jobs, particularly so young people can stay in the area. This is a chance to improve the area for the future and we should get on with it.

NPA – The Authority takes the needs of the local economy and community very seriously indeed and these will be part of the assessment of the planning proposal.

The Chair thanked York Potash for the presentation and noted that there would be a full formal consultation process when the application was received. It is the application that the Authority will assess and it is important not to prejudge the issues at this stage.

The meeting closed at 15.45pm.