

**Second meeting of the Restoration Working Group that took place
on Tuesday 7th June 2016 Scottish Government Offices,
Atlantic Quay, Glasgow**

Present:

Russel Griggs	Scottish Mines Restoration Trust (Chair)
George Burgess	Scottish Government, Environmental Quality
Philip Rayson	Scottish Government, Planning
Hugh Barron	Scottish Government, Planning
Robin Caldow	Scottish Mines Restoration Trust
Philip Baker	Banks Group
Iain Cockburn	Hargreaves
David Suttie	Dumfries & Galloway Council
David McDowall	East Ayrshire Council
Mary Stewart	Fife Council
Gordon Cameron	South Lanarkshire Council
Tim Marples	The Coal Authority
Duncan Gallon	UK Government, DECC Coal Liabilities Unit (via telephone)

Apologies:

Simon Bonsall	Scottish Government, Minerals Planning
Caroline Edmonstone	Scottish Government, Coal Policy
Chris Norman	West Lothian Council

1. Welcome and Apologies

Russel welcomed everyone to the first meeting and the above apologies were noted.

2. Minutes from previous meeting

The minutes from the previous meeting were agreed by all present and it was agreed to deal with actions arising within the various agenda items of the meeting.

3. Current Market conditions

Russel asked the industry representatives Iain (Hargreaves) and Philip (Banks Group) to give their views on the current marketplace.

The world coal price has stabilised at the bottom along with the oil price and it was likely that this would remain so for the next two years.

Demand for coal for electricity generation within the UK was anticipated until 2025, with coal contributing a diminishing proportion of the energy mix, with most of the coal likely to be imported. In addition it was noted that the heavy fixed costs associated with running coal-fired plant might mean that they would be lost to the grid to avoid on-going heavy losses, further weakening the market for coal.

In West Lothian Banks Group reported that they had ceased production and are restoring their Rusha site. Hargreaves reported that House of Water in East Ayrshire would be their only site producing coal by the end of 2016.

There was agreement that the price of coal needs to improve significantly and have long term visibility before the industry would consider either making new planning applications or even opening new consented sites to supply the electricity generation market. It was anticipated that any future coal industry would concentrate on low volume high value specialist coal.

Russel asked if the future staffing could become an issue within the declining sector and whether this could impact upon the ability to undertake restoration of legacy sites in future. This was reported as a potential issue with aging workforces both within the industry and the supporting services. It was noted that to ensure cost efficiencies works should be undertaken sooner rather than later once large plant was no longer available.

Finally it was reported by Tim that some Welsh sites have announced they are to cease coaling early because of market conditions. He also pointed out a potential issue with bonding provision at Ffos y Fran which has current restoration liabilities of circa £40/50 million however this site has not announced an early closure plan.

4. Work Programme and Progress

Hugh and Phil provided an update on progress delivering the 14 work streams identified from the taskforce. These are consolidated under the following eight topics:

4.1 Better Regulation (Tasks 2, 5)

Quarterly reporting on coal site monitoring and compliance inspection visits is now in place with reports available on the Scottish government website. The need to ensure Mine Progress Plans are secured by condition and are made publically available will be included in either a Chief Planner Letter or in new online planning guidance.

4.2 Training (Task 3)

The Scottish Minerals Planning Group (SMPG) has been set up as an autonomous group under the Heads of Planning Scotland (HoPS) Energy and Resources sub-committee to facilitate the transfer of practical minerals planning knowledge via training events and workshops. The first meeting of the group was held on 27 May 2016 and the first training event is planned for 21 October 2016, covering all aspects of financial guarantees for surface coal mines, but with relevance to other sectors such as onshore renewables, hard-rock quarries and aggregates extraction.

4.3 Enforcement enhancements (Task 4)

Advice from High Level Group on Planning Performance indicate a new monitoring indicator on the coal sector was not required at this stage. Performance data can however be captured in the quarterly site monitoring/compliance reports.

4.4 EIA scoping improvements (Task 6)

A new joint SEPA/SNH EIA scoping template has been developed and was issued to relevant Local Authorities in May 2016 for a trial period and feedback. Initial feedback indicates that a joint response may not be as helpful as first imagined. We will clarify this with stakeholders and proceed with the work if they consider it to be beneficial.

4.5 Central intervention in Major Development (Tasks 8, 9)

A consultation document on mineral monitoring fees, including draft legislation has been prepared and a Business and Regulatory Impact Assessment undertaken, with the support of all key stakeholders. If the Ministers are content, we propose issuing it for consultation in early autumn for a 12 week period. Should the consultation lead to changes to fees, we would seek to integrate it with wider work on the fees regime as a whole, which is now progressing as part of the wider programme of planning reform.

Treating applications for surface coal mines as if they major developments would seem unnecessary given the current economic viability of the coal industry. This could be revisited, if and when market picks up.

Time-limited consents were viewed by the task force as an opportunity for decision-takers and stakeholders to gain greater clarity about the scale of development. However, Planning legislation and guidance on time limiting conditions for developments were not meant to act in this manner and could ultimately effect a developers ability to gain funding from financial institutions.

4.6 Guidance (Task 10)

Certain aspect to PAN64, in terms of restoration are still valid. Therefore given the work already undertaken by HoPS on financial guarantees and the training being undertaken by SMPG there is no immediate need to revise PAN. The decision not to revise the PAN is all the more valid when the industry, in the short to medium term is unlikely to see any growth. Again, this decision could be reviewed if that situation altered.

The newly implemented system of inspection and compliance monitoring and community liaison meetings is addressing a perceived lack of transparency and knowledge vacuum for local communities. Local Authorities are now providing details of regular monitoring and restoration liabilities that is being undertaken for the Scottish Ministers and this information is now made available on the Scottish Government's [website](#).

4.7 Financial guarantee landscape (Tasks 10, 11)

HoPS have reconvened their Bonds Working Group in order to prepare a detailed supplementary "Good Practice Paper" to their existing "[Position Statement on the Operation of Financial Mechanisms to Secure Decommissioning, Restoration and Aftercare of Development Sites](#)". It is anticipated this paper will be published by the end of 2016

4.8 Engagement (Task 10)

Wider work is on-going to examine and make proposals on improving engagement in the planning system for inclusion in the planning review White Paper. A specific focus on minerals applications would not be appropriate at this time.

Action: Hugh and Phil to set up a meeting between Russel and the Chief Planner.

5. Council updates

Council officials provided updates on the restoration status of sites within their areas.

Mines Restoration Limited – it was reported that Robin was still working on a comprehensive review of all sites and liabilities.

Scottish Government – George reported that he had received correspondence (email) from the EU intimating that they had closed the file on the SPA infringement case based on the implementation of the package of measures proposed.

Quarterly reporting on coal site compliance inspection visits – It was agreed that local authorities would complete a revised version of the template compiled by Hugh and Phil on a quarterly basis using Microsoft Excel.

Action: Hugh and Phil to send Excel template to local authorities.

6. Outstanding planning permissions

Gordon reported that South Lanarkshire had a single application for the renewal of Glentaggart East which was anticipated to be presented to committee during late June.

David advised that within East Ayrshire the position was as follows:-

- Carsgailloch – application withdrawn
- Dalgig – would be presented to committee at the end of June.
- Braehead – further information was requested of and awaited from the applicant.
- House of Water – legal agreements progressing, but still to be concluded.
- Duncanziemere - legal agreements progressing but still to be concluded.

7. Community Benefit

Recommendation 29 from the final report of the Opencast Coal Task Force suggested that a single approach to governance of community benefit generation should be explored. It was agreed that the form of community benefit should not be limited to just financial contributions and that works in kind including restoration works to assist with orphaned surface mines should also be recognised.

8. Date of next meeting

Russel suggested that the next and final meeting of the Working Group should be held in late summer / early autumn once various workstreams had been concluded to an appropriate point.