



FURTHER INFORMATION IN RELATION TO PROPOSED SURFACE COAL MINING  
SCHEME WITH RESTORATION TO AGRICULTURE AND NATURE CONSERVATION  
BENEFITS (REF CM4/1215/125)

HILLTOP FARM, NEAR CLAY CROSS, DERBYSHIRE

PROVECTUS REMEDIATION LTD

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Final

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## INTRODUCTION

This report has been prepared in relation to planning application reference CM4/1215/125 for a *'surface coal mining scheme with restoration to agriculture with nature conservation benefits'* at Hilltop Farm, Clay Cross.

The following information has been prepared in response to matters raised both at a meeting between the Applicant and Derbyshire County Council on 28<sup>th</sup> April 2016 and also consultation responses that have been received submitted by statutory consultees.

The matters relate to the need for the development with respects to the current market need for coal extraction and also the potential impacts that coal extraction may have in relation to attracting inward investment into Clay Cross and the subsequent delivery of the Clay Cross Regeneration Framework.

## NEED AND MARKET FOR COAL

### The Commercial Market

Uncertainty surrounds the future of the commercial market for UK coal in the range 0x30mm and prices are low.

This uncertainty flows principally from the fact that the economics of operating coal fired power stations in the UK do not add up as carbon taxes make coal fired generation more expensive than other forms of power generation. The commercial coal market is also temporarily flooded with coal stockpiled by power stations scheduled for closure.

Of the ten coal fired power stations on the grid at the approach of winter 2015/6, five have now been closed or partially closed. Imports of coal have fallen dramatically and UK production has been slashed to the bone.

The reduction in coal based generation capacity has, however, lead to a national problem. The station closures referred to will, it is estimated, remove around 7000mw of capacity from the grid. This figure is well in excess of 10% of the UK's generating capacity at the end of 2015. If all the closures proceed it is likely that there will be insufficient generating capacity to meet the country's needs. A shortfall of around 2500mw is predicted.

It is unclear how this shortfall will be successfully tackled—either for this coming winter or the next three winters to 2020—without reliance on coal fired stations, to include some of those presently earmarked for closure.

Continued reliance on these stations will lead to a continuing demand for coal. The likely consequence of such demand, at a time when both local production and imports have been massively reduced, is that the price of commercial coal will rise.

It should be noted that HM Government, in recognition of the problems over security of electricity supply, is already making changes to the Capacity Market which suggests more coal capacity will be kept to provide winter cover going forward. HMG has also launched formal consultation on the run down of coal up to 2025.

Andrea Leadsom, Minister of State at the DECC, has stated in the context of this consultation that energy security will not be compromised and that HMG would only proceed with the rundown of coal if it was confident that sufficient new capacity could be brought forward within the timescales previously prescribed. As previously stated, considerable uncertainty surrounds the source of that new capacity. The Minister has also stated that notwithstanding HMG's withdrawal of funding for Carbon Capture and Storage [CCS] investigation, HMG still believed that CCS had a potentially important role in the long term decarbonisation of the UK. HMG was apparently taking stock of its approach to CCS and considering its next steps in the context of the fact that many countries [ including Germany ] were presently constructing new coal fired power stations based upon CCS technology.

It does seem likely therefore that the demand for commercial coal for power station use will be sustained over the period of the Hilltop project and probably for much longer. Security of supply of commercial coal from UK sources will obviously be of vital importance.

The recent decision of the UK to leave the European Union will also impact on the situation. That decision will, it is widely speculated, lead EDF, the state backed French energy company, to withdraw

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from the Hinckley Point nuclear power station project aimed at the generation of 7% of the UK's electricity requirement. The cost of coal imported from the EU may rise due to tariff changes and uncertainty will surround the availability and cost of emergency back up supplies of electricity sub English Channel from French based generators.

### The Domestic Market

Coal in the range 30mm to 50mm will be sold into the domestic market . Over the winter 2015/6 a 20% increase in demand for pre-packed coal was experienced in the market and that winter was mild. This increase in demand coincided with a major reduction in UK domestic coal production and as a consequence the wholesale price of domestic coal rose by approximately 25% over the early part of 2016.

The Applicant has an arrangement in principle in place with a leading player in the wholesale pre-packed coal market for the sale of the totality of the year on year domestic coal production from the Hilltop Project.

### The Steam Train Market

Coal in the range 50mm plus would largely be sold into the specialist steam railway preservation sector which currently accounts for some 20,000 tonnes per annum of coal of this size.

Sources:

1. *Industrial Communities Briefing 2 of February 2016 entitled "Lights Out!"*
2. *Minutes of the Annual Coal Industry Meeting with HMGovernment of 10th February 2016.*

## REGENERATION AND ECONOMIC DEVELOPMENT

### Introduction and Background

The following sets out a response to the concerns raised by NEDDC in respect to the alleged adverse impact upon the regeneration and economic development of Clay Cross. Those concerns are set out in the letter issued by NEDDC planning department repeating matters dealt with in the original planning application along with a second letter issued on behalf of members of NEDDC's Planning Committee. The second letter raises matters previously identified and dealt with in relation to planning application CW4/1114/98 relating to the Clay Cross Biomass Scheme.

The Applicant in its own Socio-Economic Assessment, included within the submitted Environmental Statement, acknowledges that Clay Cross underperforms in comparison to national averages when considering commonly recognised social and economic indicators of deprivation. It is contended that the proposed development will contribute positively to the local economy and will assist in delivering the overall objectives of the Clay Cross Regeneration Framework and therefore contribute to reviving the town's current performance against indicators of deprivation.

The Applicant's contention is explained in detail in this response, which covers the following topic areas:

- Regeneration and Investment (inclusive of attracting inward investment, external perception and the Clay Cross Regeneration Framework)
- Future Development and Sterilisation of Minerals
- General overview of Scheme Benefits (inclusive of Summary of Socio Economic Assessment and consideration of planning appeals and National Planning Policy)
- The topic areas are discussed in more detail below.

### Regeneration and Investment

#### Attracting inward investment

The proposed surface coal mine scheme is due to be completed within 3 1/2 years. The site will be progressively restored enabling the northern extents of the mineral extraction area to be restored back to agriculture before the completion of the wider mineral extraction activities. Once fully restored the site will comprise a mix of arable and grassland agricultural land with enhanced perimeter landscape planting which has been specified to encourage ecological enhancement. The approach will ensure that the whole site will not be an open excavation at any one point and allows areas to be restored as quickly as possible; thus minimising potential visual and amenity harm.

The temporary and short term nature of the development will see the complete restoration of the Application Site prior to the completion of the Biwater Scheme. In this regard the surface coal mining scheme will occur across a relatively short period in comparison to the delivery of the Biwater Scheme which is due to extend across the whole plan period (2011 – 2033). Potential impact on the momentum of the implementation of the regeneration will therefore be short term and temporary at worst.

It should be noted that the Coal Authority in its consultation response highlights that surface coal mining is generally considered to bring in economic investment. It states:

*'Rather than divert investment away from an area, surface mining of coal has often created inward investment'*

### External Perception

Perceptions relating to the negative impacts of coal mining schemes can be alleviated in the case of the proposed development. During the determination of the planning application statutory consultees such as Public Health England, Environment Agency and the District Authority's Environmental Health Officer have been consulted and have not objected to the proposals. It has been shown that appropriate mitigation measures and management schemes can be implemented to adequately control site emissions to ensure that there is no adverse health, amenity or environmental effects generated by the scheme. This combined with the short term nature of the operations prevents the negative perceptions from being realised and thus helps to prevent the recent improvements in external perception of Clay Cross from being significantly eroded.

Furthermore, the development has the potential to improve the medium to long term perception of Clay Cross by potential investors. The restoration proposals will implement and maintain an attractive 'green' area of land to the west of the Biwater Scheme. The scheme includes the potential for additional public rights of way to be created and the land will also be the subject of a long term ecological management programme. The positive restoration of the site will therefore provide a long term aesthetically and ecologically beneficial area of land that sits adjacent to the Biwater development.

It has been established that there is an economically workable coal reserve at the Application Site. The presence of the mineral reserve in the long term may impact on the ability of the town to attract investment due to future uncertainty over potential mineral development across the Application Site. The extraction of the mineral reserve over the next few years alongside the construction phase of the Biwater Scheme will create a more certain investment climate for future developers, thus assisting the delivery of the long term Regeneration Framework objectives and the County Council's A61 growth Corridor scheme.

### Clay Cross Regeneration Framework

The delivery of that Clay Cross Regeneration Framework vision will be achieved through encouraging (inter alia) investment in Clay Cross over the next 15 years and ensuring links are made between major planned projects; one of which is the Biwater Scheme.

It has already been shown that the development will not have a long term negative impact on the attracting inward investment in the town. The proposed development will assist with the delivery of the objectives of the regeneration framework, particularly those focused on improving

- linkages between major planned development sites
- movements through creating a well-connected and accessible townscape
- health landscapes through encouraging access to proposed green community hubs
- the delivery of sustainable communities.

The above can be achieved through the restoration scheme which incorporates the potential for public access improvements through land being made available to allow a new multi-user trail, linking North Street with Derby Road. The availability of the land will enable a sustainable linkage through an area of 'green' land between Kenning Park to the south of the Application Site and the proposed Egstow Park to the North-East. Both Kenning Park and Egstow Park are recognised as green community hubs by the

Regeneration Framework. Furthermore, the provision will assist the integration of existing communities to the west of the town with the proposed large new community to the north.

The implementation of a long term maintenance programme across the Application Site once restored will ensure that the strategic gap between Clay Cross and Tupton that is valued by North East Derbyshire District Council is retained. Furthermore, the ability for North East Derbyshire Council to collect additional rates for a 3 year period will provide additional finance that has the ability to assist with the delivery of the Regeneration Framework.

Financial contribution to a community fund will enable the existing communities located in proximity to the proposed surface coal mine to deliver community initiatives. This allows existing communities to meet their own aspirations; which are a key requirement of the Regeneration Framework presently stalled due to a lack of funding.

### Future Development and Sterilisation of Mineral

Further to the above, the options stage of the North East Derbyshire Local Plan 2011-2031 (Schedule of Potential Housing Sites) identifies that 2 main areas; one adjacent to Hilltop farm and one in the south of the Application Site, are considered to have development potential for housing post 2022. The arrangement of the potential development allows the strategic gap to be retained between existing communities whilst enabling NEDDC's housing delivery requirements to be met. The timings of the proposed development will mean that the surface coal mining scheme will have been completed by this time.

The area of land identified in vicinity to Hilltop Farm, and which is being pursued in isolation to the surface coal mining scheme development, has the largest potential housing yield of the potential allocations identified for the period post 2022. The development will enable the extraction of the mineral resource prior to the delivery of any potential housing scheme that may be brought forward in the future.

Paragraph: 002 Reference ID: 27-002-20140306 set out by the National Planning Practice Guidance suite and in relation to mineral safeguarding states 'Since minerals are a non-renewable resource, minerals safeguarding is the process of ensuring that non-minerals development does not needlessly prevent the future extraction of mineral resources, of local and national importance.' Prior extraction of the mineral would avoid potential sterilisation of the energy mineral.

Furthermore, the Coal Authority, in its consultation response, highlights the benefits of remediating a site with a coal mining legacy. It states:

*'Such awareness of coal mining legacy issues should ensure that the proposed mining operations can be carried out safely. In this proposal the removal of shallow old mine workings, shafts and adits with subsequent restoration may also provide a stable platform for future surface developments'*

## General Overview of Scheme Benefits

### Summary of Socio Economic Assessment

The Socio-Economic Assessment submitted in support of the planning application sets out overall positive contribution that will be brought by the development.

The scheme will bring a number of short term direct investment opportunities that will contribute economically on a local level. These are:

- Generation of 15 jobs over a 3 year period
- A significant contribution to North East Derbyshire District Council in business rates
- Establishment of a community fund to be utilised by existing communities in delivering community initiatives.
- The scheme will also bring about indirect benefits to the local community. Indirect expenditure and employment will come from factors such as:
  - Wages to employees
  - Payments to sub-consultants such as plant contractors, environmental consultants etc
  - Transport and fuel
  - Spending on local goods and services
  - Energy – power, heat, light
  - Business rates
  - Community funded projects

Coal is listed as a mineral of local and national importance by the NPPF. Recent trends have resulted in the UK importing significant quantities of coal from overseas sources on an annual basis (stretching as far as North America, South America and Eastern Europe). There are a number of sustainability and energy security benefits to reducing the UK's reliance on imported coal; these have been set out in great detail in chapter 8 of the submitted Environmental Statement .

The benefits of reducing the UK's reliance on imported energy sources and strengthening the Country's energy security is a current issue at a time when considerable uncertainty surrounds the means of satisfaction of the UK's energy requirement in the short/medium term. In consideration of recent planning application CW4/1114/98 for an Energy Development at Clay Cross, Derbyshire County Council placed positive weight in economic terms on the benefits of indigenous energy production and the displacement of energy imports. The principle stands in the case of the proposed development. Consideration of Planning Appeals and National Planning Policy

To add credence to the above, Inspectors considering surface coal mine schemes at Appeal have acknowledged the positive contribution that surface coal mine schemes make to the local economy. The National Planning Policy Framework (NPPF) acknowledges the significance of the economic contribution that is made by mineral development and identifies that 'great weight' should be given to those economic benefits (paragraph 144).

Therefore, the positive economic benefits that will be delivered by the proposed scheme are evident and have been made clear by both National Planning Policy and by a number of Planning Inspectors. The proposed scheme will therefore have a positive economic impact on a local level. That positive impact should be given 'great weight' as per the requirements National Planning Policy and particularly in the context of the contribution to the objective of reversing the town's current performance against indicators of deprivation.

### Conclusion

The consultation response issued by North East Derbyshire District Council's planning department, dated 8th May 2016, states that '*coaling would bring no lasting benefits to the area*'. This response, along with the document submitted in support of the planning application, identifies that in fact there will be no lasting adverse impacts generated by the proposed development and it will contribute a number of long term benefits. Those benefits comprise:

- Positive contributions to the delivery of the Clay Cross Regeneration Framework
- Contribution towards reversing performance against indicators of deprivation
- The removal of long term investment uncertainty for future developers
- Removal of potential sterilisation concerns in relation to potential future investment and development opportunities
- Facilitating the delivery of the A61 Growth Corridor scheme and NEDDC's housing options
- Contribution to indigenous energy production and national energy security

It has been demonstrated that any potential impact upon the momentum of Clay Cross' regeneration would only be short term and temporary. The long term contributions generated by the development scheme are considered to be moderate to significant and therefore outweigh any potential negative effect. The development will provide an overall positive contribution in socio-economic terms.