

Greater Manchester Minerals Plan

Examination in Public

Matter 4 Restoration and Aftercare

Issue: Whether the financial provision to guarantee restoration (Policy 12) is compatible with government advice. In particular:

- *Is the last sentence of MPG7 para 86 reflected accurately in Policy 12 (3)?*

MPA Comment

1. I wish mainly to rely on my representations on the plan on this issue and to provide a little more background information. The industry's commitment to restoration and biodiversity is shown by the following facts; with 1,300 active sites across the UK, 56,000 hectares of the minerals industry estate is potentially suitable for restoration to priority habitats as defined in the UK Biodiversity Action Plan (BAP).
 - The industry is leading the way in restoring the population of the previously declining bittern by "hosting" 15 per cent of the UK's breeding pairs in reed beds created following quarrying.
 - 22 minerals sites have to date been certified by the externally assessed Wildlife Trusts Biodiversity Benchmark.
 - Operators are now routinely creating, and committing to long-term management of threatened habitats, making a significant contribution to delivering national and local biodiversity action plan targets.
 - MPA members have planted a million trees in the last five years as part of their planned operational and restoration activities. This is a significant achievement and mirrors the Government's own aspirations for the next four to five years.
 - MPA members have planted 57 km (36 miles) of hedgerows in the last five years.
 - MPA members have built 21 km (13 miles) of dry stone walls in the last five years (2006-2010).
 - Other uses which MPA members commonly restore are agricultural land of high quality, amenity/sports fields, and water sports.
2. The advice of MPG7 (2006) is very clear about restoration guarantees and specific mention is made of the SAGA Restoration Guarantee Fund, which is now the QPA Fund (paras 92 and 94). This Fund was extended in 2002 to cover all aggregate operations, including rock, and provides a £1 million overall guarantee to planning authorities against restoration default. The fund, membership of which is a condition of MPA membership, commits to provide financial indemnity to planning authorities where a rock, sand and gravel or silica sand producer member of the MPA defaults on restoration obligations by virtue of becoming insolvent. It was set up as

an arms-length limited company and provides for a single claim limit of £500,000. The original fund covered only sand and gravel quarries operated by QPA members. While it has been in operation since 1975, it has never been called upon. The Fund is currently under review by the MPA but the essential facts reported in 2002 have remained unchanged.

3. Some specific exceptions to guarantees are allowed by MPG7 but even here it is noted that “...it is the Government's view that where an operator is contributing to an established mutual funding scheme, such as the SAGA Restoration Guarantee Fund, it should not be necessary for an MPA to seek a guarantee against possible financial failure, even in such exceptional circumstances.” (para 94).
4. MPG 7 further advises that mpas should not be tempted to put SMEs at a competitive disadvantage because of fears about financial stability. What standards are applied to larger companies should also apply to smaller ones. Since the MPA has a membership of over 400 representing over 90% of aggregates production and since there only five ‘majors’ – Aggregate Industries, Cemex, Hanson, Lafarge and Tarmac – it follows that the vast majority of our members are SMEs. Yet all of these companies are bound as producers to the QPA Restoration Guarantee Fund. It also follows that since the majority of operators are already covered there is no case for imposing an additional requirement for guarantees. What few cases there must be outside of this system can easily be dealt with on an ad hoc basis.
5. We are grateful for the acknowledgement by the authorities of the mistake in including this statement in the policy and for their offer to remove it (ref. *Summary of Publication Representations with responses from the Minerals and Waste Planning Unit Amended January 2012 page 40*). Such a proposed change would be in line with national policy but we have not yet seen it.