



Planning and Access Committee

Meeting: Monday 30th October 2023

Agenda item: 6

SUBMITTED BY: **STUART MEARNS**
Director of Place

APPLICATION NUMBER:	2017/0254/MIN
APPLICANT:	SGZ Cononish Limited
LOCATION:	Cononish Gold Mine
NATIONAL PARK WARD:	Ward 2 - Breadalbane and the Trossachs
COMMUNITY COUNCIL AREA	Strathfillan
CASE OFFICER:	Name: Alison Williamson Tel: 01389 722 610 E-mail: alison.williamson@lochlomond-trossachs.org

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1. Summary and reason for presentation

- 1.1. This is an annual report to provide an update to members on the development of the Cononish Gold and Silver Mine near Tyndrum.

2. Recommendation

- 2.1. That Members:

NOTE the updates on the development.

3. Background

Development Background

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| 3.1. | A planning application for the development of an underground mine to extract gold and silver with associated service and production building, plant, storage areas, Tailings Storage Facility (TSF), settlement pond and gauging station, bridge and car parking (Further revision of permission 2014/0285/DET) was received in August 2017. On 27 February 2018 the National Park Authority Board was minded to approve the application subject to 57 conditions and a section 75 legal agreement. Following the conclusion of the section 75 legal agreement, planning permission was granted - with the issuing of the decision notice on 19 October 2018. All suspensive conditions were discharged between March and December 2018 and works started on site on 3 January 2019. To view the files above, please go to our e-planning system, select 'Applications' and enter the reference '2017/0254/MIN (also ref to earlier application 2014/0285/DET). See Appendix 1 for a location plan and site plan. |
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Reporting to Planning Committee

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| 3.2. | Given the significance of the development within the National Park, annual progress update reports are presented to Planning and Access Committee. The last report was presented to committee in December 2022. This report updates Members on progress on site between December 2022 and October 2023. |
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4. Update on Progress

Operational Development

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| 4.1. | The development can be divided into three phases: construction, operation and restoration. |
| 4.2. | After an extended construction period due to unexpected volumes of peat, weather conditions and coronavirus pandemic related delays the processing plant was completed in November 2020 and the first gold was produced on 30 |

Operational Development

	November 2020. The development is in the operational phase, however at the time of writing the mine is not currently operational.
4.3.	The preparation of the footprint of the first tailings stack commenced with stripping of vegetation in October 2020 to allow the completion of the landscaping of the screening bund. The stacks are the approved method of storing inert waste material (tailings) arising from the mine processing operation – forming a sequence of mounded landforms – up to 10 in total over the lifetime of the permission – each being sequentially restored using turves (layers of earth) cut from the formation of the subsequent stack. Stack 1 is located immediately to the east of the plant platform and screening bund. See Appendix 1 for location plan showing the stacks and Image 1 below.
4.4.	Stack 1 was prepared for tailings placement with a series of layers including a basal drainage layer and shear key – in effect the retaining wall element of the stack structure - formed from mine rock. Placement of tailings in stack 1 commenced in January 2021 and was completed in February 2023.
4.5.	Quarterly geotechnical inspections have been agreed with Scotgold and the National Park’s geotechnical advisers from Ironside Farrar (Environmental Consultants) have been carrying out regular inspections of stacks 1 and 2.
4.6.	The documentation required under planning conditions, relating to the construction and restoration of stack 2 was approved in October 2022. The stripping of stack 2 commenced in late October 2022, with the turf stripped being used in the progressive restoration of stack 1.
4.7.	There remains a small area of stack 1 which requires to be restored. This will be completed when more turf becomes available from stack 2. The placement of tailings in stack 2 commenced in February 2023 and has continued since (see Image 2 below).



Image 1: View of stack 1 (red) and stack 2 (blue) (August 2023)



Image 2: Progress on Stack 2 (October 2023)

Habitat Enhancement Areas

4.9	Habitat Enhancement Areas are areas where peat removed from stack footprints is used for peatland habitat restoration and creation. Areas of degraded peat habitat were identified across the mine site and these are priority areas for placement of peat for habitat restoration. Other areas where the topography and habitat is appropriate for habitat creation were also identified. These areas will be referred to as Habitat Enhancement Areas (see plan in Appendix 1).
4.10	Habitat Enhancement Area 1 is located adjacent to the settlement pond. The intention is to create a mire/ blanket bog habitat in this area which will be an overall biodiversity enhancement, will store carbon and offset the loss of this habitat elsewhere in the development. Habitat Enhancement Area 1 has been formed and monitoring is ongoing. It is encouraging to note that signs of mire habitat and peat forming species have been recorded in the monitoring of Habitat Enhancement Area 1.
4.11	The details of Habitat Enhancement Areas 2 and 3 have been approved by the National Park Authority in consultation with NatureScot and SEPA. Both of these areas are between stacks 1 and 2. The intention for these areas is to create a blanket bog habitat by providing conditions for increased peat-forming Sphagnum species. This would be an overall biodiversity enhancement and would make a contribution towards minimising carbon loss from the development.
4.12	Habitat Enhancement Areas 2 and 3 will be formed, as the peat from the footprint of stack 2 is removed. To date Habitat Enhancement Area 3 has been largely formed and will be completed as stack 2 progresses.

Discharge of conditions and updates to documentation

4.13	Conditions of the planning permission continue to be discharged in consultation with internal and external consultees as the development progresses. Some of the planning conditions relate to different phases and elements of the development meaning that the discharge of conditions is a continual process. In addition, as works evolve on site, changes to approved documentation has been required to reflect any agreed adjustments.
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Amendments to approved plans

4.14	As with many large and complex developments, a number of changes have been proposed to the detailed plans. This is standard practice expected for such developments as proposals are refined in the final design stages. The process for these minor changes is to apply to the Planning Authority for a 'Non Material Variation' (NMV).
4.15	Ten of these have been approved at the time of preparing this report, including changes to the plant platform and bund, alterations to the settlement pond size, shape and location and temporary welfare accommodation due to covid 19. It is

Amendments to approved plans

	anticipated that further non-material variations will be requested by the applicant as more detailed designs are prepared for different aspects of the development.
4.16	As the development has moved into the operational phase, additional infrastructure and equipment has been required, due to operational refinements, health and safety requirements and due to operational changes, which were not foreseen when the planning application was submitted. This includes, for example additional welfare and office facilities due to an increase in employees than originally envisaged and health and safety signage.
4.17	A number of smaller structures on site are currently unauthorised and there are a number of areas of non-compliance with planning conditions which Scotgold has been addressing.
4.18	The National Park has been encouraging Scotgold to consider changes holistically, including areas of minor non-compliance, rather than making a series of incremental changes to the development. Documentation relating to operational requirements and further changes proposed has been provided by Scotgold to allow a more considered review of requirements in the operational phase.
4.19	<p>Four individual planning applications were validated in May 2023 to address existing and proposed changes. These planning applications are as follows:</p> <ul style="list-style-type: none">• 2023/0074/DET Change of use of external agricultural storage area to storage use associated with Cononish Gold Mine (retrospective)• 2023/0075/DET Retention of containers (for temporary period) for use as offices and welfare facilities.• 2023/0076/DET Retention of containers for accommodating site office, welfare facilities and laboratory (including associated infrastructure) and formation of associated parking areas.• 2023/0077/DET Erection of steel cover over tailings stockpile <p>2023/0074/DET was approved in July 2023 and the other planning applications remain under consideration.</p>

Restoration

4.20	Some aspects of the restoration works will be ongoing throughout development. Since the last update to committee, stack 1 restoration is almost complete and stack 2 has been progressively restored as it has been formed. Progressive restoration at the site has on the whole been successful so far with vegetation establishment. Works identified in the Greater Cononish Glen Management Plan (GCGMP) have progressed, most notably tree planting and associated fencing, and water quality monitoring is ongoing to comply with SEPA requirements.
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Monitoring of the Approved Development

4.21	Since the commencement of development, site visits have been undertaken by the Planning Monitoring Officer (PMO), usually accompanied by a representative of the National Park Authority. Monthly PMO site visits continued throughout the construction phase of the development, apart from during summer 2020 when coronavirus lockdown and travel restrictions meant that site visits were not possible. Now that the site has moved into the operational phase the PMO visits are arranged bi-monthly. These visits are in addition to reporting from the operator and regular liaison meetings with the National Park Authority, operator and PMO.
4.22	Following each site visit the PMO produces a "Planning Audit Report" for the Planning Authority which includes a summary of site visit, a clear audit trail of any issues arising (and what the operator proposes to do to remedy them) and a classification of these issues based on traffic-light reporting. The PMO Planning Audit Reports are published online on the public access website 6 months after the site visit, to not prejudice any formal enforcement action should that be required and to allow the operator a reasonable timeline to address any arising issues.
4.23	As above, the frequency of site visits has reduced in the operational phase of the development. However, in order to maintain lines of communication and manage submission of outstanding documentation and updates to condition documents regular online progress meetings have been held with the representatives from Scotgold and the PMO, since April 2021.

Monitoring Reports from the Operator

4.24	The operator (SGZ Cononish Limited) is required to submit (as a minimum) quarterly construction and operation monitoring reports setting out how the requirements of the Construction Environment Management Plan (CEMP) and all other conditions of the permission are being adhered to on site. Each report is specified to contain an update on construction or restoration progress, up-to-date photographs and an update from the Ecological Clerk of Works (ECoW) and Landscape Clerk of Works (LCoW) including evidence of, and from, their site visits and including their photographic record. The report is also required to contain a list of issues identified and the subsequent report should explain how the issue has been addressed and evidence the remedial works undertaken. The eighteenth of these reports from the operator was submitted to the planning case officer on 12 October 2023.
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Greater Cononish Glen Management Plan (GCGMP)

4.25	The section 75 legal agreement requires the operators to establish a GCGMP Glen Advisory Group to provide recommendations to the operators and the
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Greater Cononish Glen Management Plan (GCGMP)

	<p>National Park Authority on all aspects of the Greater Cononish Glen Management Plan, and on the implementation thereof. The Group includes The National Park Authority, the landowner, NatureScot, Crown Estate Scotland and the operator. Forestry and Land Scotland, SEPA, the PMO and the operator's specialist advisors (ECOW, LCOW and Clerk of Works) are also advisers to the group. It is required to meet at least once a year in the first 10 years from the date of commencement of development, and more frequently during intensive operations.</p>
4.26	<p>The GCGMP Advisory Group held its seventh meeting in August 2023. As per the requirements of the section 75 legal agreement, a report was submitted to the National Park Authority prior to the meeting. This detailed the works that have been undertaken in compliance with the Greater Cononish Glen Management Plan since the last meeting; and the works, which are proposed to be undertaken in compliance with the Greater Cononish Glen Management Plan in the following 12 months. GCGMP works which have been completed further tree planting at an area of land adjacent to Coille Coire Chuilc SSSI and in several locations at the river terraces along the River Cononish. Over 1000 trees have now been planted in these locations, with wet heath monitoring plots established. 130 additional trees have also been planted within the mine site.</p>
4.27	<p>Through discussions of the GCGMP advisory group, proposals for the other areas of fencing and planting have been rationalised in order to ensure the greatest benefit from the spend. Due to increased costs for many GCGMP projects, the group continues to assess best value for all proposals as detailed plans are developed.</p>

Habitat and Land Management Advisory Group (HLMAG)

4.28	<p>The section 75 legal agreement also requires the operators to establish a Habitat and Land Management Advisory Group to provide recommendations to the Operators and the Park Authority on all aspects of the Decommissioning and Restoration Plan, and on the implementation thereof. This group includes representatives from The National Park Authority, NatureScot, landowners, Crown Estate Scotland along with the PMO and the operator's specialist advisors (ECOW, LCOW and Clerk of Works). The fifth meeting of the Habitat and Land Management Advisory Group was held on 30 August 2023. The group was satisfied with the progress being made on site.</p>
4.29	<p>Since the last update to committee the restoration of stack 1 has continued with turves being placed on the outer face. Restoration of stack 2 is progressive, as tailings are placed and Habitat Enhancement Area 3 has been formed.</p>
4.30	<p>As the development continues in the operational phase, with tailings being placed and stacks and Habitat Enhancement Areas being formed, the input of the HLMAG members on all aspects of progressive restoration will be important.</p>

Habitat and Land Management Advisory Group (HLMAG)

Monitoring of restoration will allow for review and consideration of restoration techniques.

Financial Contributions

4.31 In order to mitigate any adverse environmental impacts, and to ensure the wider social and economic impacts of the development are met, the section 75 legal agreement, that accompanies the planning permission, requires the operators to make payments to Loch Lomond and The Trossachs Countryside Trust. The most recent payment was made in May 2023, with the next payment due in January 2024.

Financial Guarantee Bonds

4.32 The development of the mine has two associated financial guarantee bonds, one for Restoration and Aftercare (£537,918.22) and one relating to the Greater Cononish Glen Management Plan (£268,692.95). The section 75 legal agreement allows for reviews of these bonds to be undertaken in certain circumstances.

4.33 Earlier in 2022, the Park Authority considered that the value of both the Restoration and Aftercare Bond and the GCGMP Bond could be deficient to meet the anticipated cost of implementing the GCGMP and meeting the Decommissioning and Restoration Obligations by virtue of changes to material costs, labour costs or other costs including inflationary changes. The Park Authority therefore instructed a review of the bond amounts in accordance with the terms of the section 75 legal agreement as advised to Committee at the last update.

4.34 A review of the revised Restoration and Aftercare Bond – prepared by Scotgold - was undertaken by Ironside Farrar on behalf of the National Park Authority. This review was completed earlier this year and it was agreed with Scotgold and the other parties to the section 75 legal agreement (the landowners and Crown Estate Scotland), that the bond amount would be increased from £537,918.22 to £623,767.46. A payment of £40,000 was received by the National Park Authority in June 2023 and the remaining £45,848.24 remains outstanding despite reminders that this payment is overdue. It is noted that the Bond is calculated in terms of the extent of potential restoration works required which is dictated by the stage of restoration and the amount of ground disturbed in the preparation of the stacks. As operations have not yet reached the greatest amount of disturbance of ground it is considered that the current funds are sufficient relative to the current phase of stack preparation and restoration.

4.35 Initial discussions have been held with Scotgold and Ironside Farrar, who will review the GCGMP bond amount on behalf of the National Park Authority. The review of the GCGMP bond is in progress at the current time. Despite the delay

Financial Guarantee Bonds

in the GCGMP bond review, GCGMP projects are progressing, and the operator is meeting its obligations. Priority was given to the review of the Restoration and Aftercare bond, as the GCGMP bond value is likely to reduce, given that a number of projects have been completed.

5. Current Status

5.1	Members may be aware that in July 2023 Scotgold announced that it was undertaking a third-party review of the mine plan, and as a result, in September 2023 announced that additional finance was required to deliver this plan. At the end of September 2023, a further announcement advised that mining and production ceased and the majority of Scotgold staff were put on unpaid leave whilst discussions were held with potential funders.
5.2	A core team of staff has been kept on site to ensure that environmental monitoring continues and a care and maintenance programme has been put in place. At the time of writing, officers are content with the arrangements that have been put in place in the circumstances and an additional unannounced site visit was undertaken on 3 October 2023 to gain information on conditions and operations on site. The National Park Authority is being provided with weekly updates by Scotgold representatives.
5.3	Maintaining monitoring, liaising with the operator and ensuring compliance with planning conditions and the requirements of the section 75 legal agreement, are the immediate priorities for the Planning Authority.

6. Conclusion

6.1	It is recommended that Members NOTE the contents of this report and the annual update that has been provided on the development.

7. Background Documents

7.1	For background information, Members should go to the website – https://eplanning.lochlomond-trossachs.org/OnlinePlanning/?agree=0 then enter the search criteria as 2017/0254/MIN.

Appendix 1: Location Plan, Stack Location Plan and Habitat Enhancement Areas Plan



