



Planning and Access Committee

19 December 2022

Agenda item: 5

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 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) |
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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 November 2021. This report updates Members on progress on site between November 2021 and November 2022. |
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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 |

Operational Development

	was completed in November 2020 and the first gold was produced on 30 November 2020. The development is in the operational phase.
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 cut from the formation of the subsequent stack. Stack 1 is located immediately to the east of the plant platform and screening bund.
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 has continued since then. At the time of writing approximately 70% of stack 1 has been constructed and it is anticipated that tailings will continue to be placed in stack 1 until April 2023.
4.5.	Quarterly geotechnical inspections have been agreed with Scotgold and the National Park’s geotechnical advisers from Ironside Farrar have been carrying out regular inspections of stack 1.
4.6.	Stack footprints will be incrementally prepared for deposition of the tailings and once the tailings are deposited then soils will be added, followed by turves, mulch and divots taken from the footprint of the next stack in the sequence. The stack restoration phase will continue on a phased basis throughout the life of the mine in tandem with mine operation.
4.7.	The documentation required under planning conditions, relating to the construction and restoration of stack 2 was submitted to the Planning Authority in August 2022 and 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.
4.8.	Since the processing plant was commissioned, various problems with plant have been addressed and Scotgold have gradually increased production. A number of initiatives have been progressed to optimise mining and production. Most recently, Scotgold have installed a tailings “thickener” within the processing plant which reduces the water content of the tailings. In addition, power and ventilation upgrades have been installed in the underground mine.



Image 1: View towards mine site from access track (November 2022)



Image 2: Progress on Stacks 1 and 2 (November 2022)

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.
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.
4.11	The details of Habitat Enhancement Areas 2 and 3 have recently 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 contribute 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 over the coming months.

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 anticipated that further non-material variations will be requested by the applicant as more detailed designs are prepared for different aspects of the development.

Amendments to approved plans

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 the number of employees than was originally envisaged, as well as health and safety signage.
4.17	A small number of structures on site are currently unauthorised and there are a number of areas of localised non-compliance with planning conditions which the National Park Planning Authority has been addressing with Scotgold. The main issues have arisen as a response to operational needs dictated by Covid workplace restrictions. A number of additional office welfare portacabins were positioned at the mine platform, adjacent to the long established 'nissan' huts close to the mine entrance. Also some additional vehicle parking has been formed in this upper part of the site due to the need for employees and visitors to reduce shared transportation.
4.18	The National Park has been encouraging Scotgold to consider changes holistically rather than making a series of incremental changes to the development. Documentation relating to operational requirements and further changes proposed has been requested and is being produced by Scotgold to allow a more considered review of requirements in the operational phase.
4.19	It is anticipated that a number of planning applications will be submitted, for example, for the above mentioned additional welfare accommodation and for proposed additions to the processing plant building, such as a tailings storage area cover to avoid over saturation of tailings in wet periods.

Restoration

4.20	Some aspects of the restoration works will be ongoing throughout the development and operation of the mine. Since the last update to committee, stack 1 has been progressively restored as it has been formed and the stack 2 Restoration Plan has been approved. 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, 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 contracted 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
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Monitoring of the Approved Development

	were not possible. Now that the site has moved into the operational phase the PMO visits are now arranged bi-monthly.
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 allow the operator a reasonable timeline to address any arising issues, and to not prejudice any formal enforcement action should that be required.
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 to the Planning Authority 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 ECoW and 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 fifteenth of these reports from the operator was submitted to the planning case officer on 21 November 2022.
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Greater Cononish Glen Management Plan (GCGMP)

4.25	The section 75 legal agreement, as part of the planning permission, requires the operators to establish a Greater Cononish Glen Advisory Group to provide recommendations to the operators and the National Park Authority on all aspects of the Greater Cononish Glen Management Plan, and on the implementation thereof. 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.
4.26	The GCGMP Advisory Group held its sixth meeting in November 2022. 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

Greater Cononish Glen Management Plan (GCGMP)

	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 Plan in the following 12 months. GCGMP works which have been completed include fencing and 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 700 trees have been planted in these locations, with additional tree planting yet to take place.
4.27	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.

Habitat and Land Management Advisory Group (HLMAG)

4.28	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. The fourth meeting of the Habitat and Land Management Advisory Group was held on 22 November 2022. As per the terms of the section 75, a report was circulated to members of the group prior to the meeting noting progress on restoration works to date.
4.29	Since the last update to committee the restoration of stack 1 has continued with turves being placed on the outer face.
4.30	As the development continues in the operational phase, with tailings being placed and stacks 1 and 2 being formed, the input of the HLMAG members on all aspects of progressive restoration will be important.

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 requires the operators to make payments to Loch Lomond and The Trossachs Countryside Trust. The most recent payment was made in August 2022, with another payment expected by the end of November 2022.
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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
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Financial Guarantee Bonds

	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	The Park Authority considers 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. This concern has arisen by virtue of changes in the overall economy;- material costs, labour costs or other costs including inflationary changes that would be reasonably incurred by the Park Authority in implementing the GCGMP and the Decommissioning and Restoration Obligations. The Park Authority has therefore instructed a review of the bond amounts in accordance with the terms of the section 75 legal agreement. It is recognised that the timing of this is ahead of the previously anticipated maximum financial exposure in terms of restoration risk but it is considered prudent, given the economic climate, to undertake this review at this time
4.34	Initial meetings have been held with Scotgold and Ironside Farrar, who will review the bond amounts on behalf of the National Park Authority. The review of both bond amounts is anticipated to be concluded in January 2023.

5. Looking Forward

5.1	The move into operation and the placement of tailings in the first stack is a significant focus for the Planning Authority to ensure the tailing stacks are a naturalistic landform characteristic of drumlins naturally occurring elsewhere in the glen. The sequencing of the stack formation and the submission of required documentation under the planning conditions, including design and restoration plans for future stacks is the main focus going forward.
5.2	Progress with stacks 1 and 2 is being closely monitored with quarterly geotechnical inspections on behalf of the Planning Authority and bi-monthly monitoring visits by the PMO. Regular communication between Scotgold, the Planning Authority and the PMO will continue.
5.3	The Planning Authority will continue to dedicate staff resource to close monitoring of the development and facilitate a collaborative approach with the developer and other statutory bodies.

6. Conclusion

6.1	It is recommended that Members NOTE the contents of this report and the update that has been provided on the development. A further update will be provided in 12 months' time.

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.