

Savills Portfolio - Land at Stobswood

Introduction

In April 2019 Groundsure were tasked with assisting Savills PLC and a land regeneration client of theirs with the sale of 16 Lots of restored land.

Within the sales brochure for each Lot the Client wanted a simple environmental search from a respected provider that clearly detailed any issues (or lack thereof) that a buyer may face when purchasing the Lots, with an emphasis on banking security.

Based on the specification provided by Savills, a Groundsure Report was recommended to be included in the sales package of the Lots, being a simple search targeted at banking security.

All 16 of the reports were written and reviewed by our experienced consultants in the Commercial Team here at Groundsure. Ten of the reports found their respective Lots as having an 'Acceptable Environmental Risk'. Though, six of the 16 were found to be 'In Need of Further Assessment' (INOFA) due to former mining activities, associated permits and uncertainties surrounding the nature of materials used to infill land following opencast activity.

Five of the six 'INOFA' reports were either within or associated with the former Stobswood Open Cast Coal Site, with the remaining parcel of land located within the former Maiden's Hall Open Cast Coal Site.

Stobswood and Maiden's Hall open cast coal mining

According to Historic England¹ opencast mining operations in the Stobswood area started in 1942 in order to meet wartime needs. This was known as Stobswood Colliery. Work was subsequently expanded following the war to continue to provide coal from the area. Generally speaking, opencast coal mining involves the stripping and removing of topsoil and other geological strata to expose underlying coal seams below. These are then removed using explosives and lifting gear. Shafts or tunnels are rarely used.

Groundsure has undertaken consultations with the Local Authority (Northumberland) and subsequently received additional information about the mines that followed Stobswood Colliery, which were located to the north and south, known as Stobswood OCCS and Maiden's Hall OCCS.

According to the Council, Stobswood Open Cast site (OCCS) evolved from Northwood OCCS. While records were not provided relating to the 1942 colliery described above, the Local Authority's earliest records indicate that Stobswood OCCS (to the south of the colliery) was originally applied for by the British Coal Corporation Opencast Executive in 1988 although part of the site (Northwood) had previously been worked by British Coal. Ryan International (trading as Crouch Mining Limited) subsequently took over the site in 1992 and the site was wound up by UK Coal.

Maiden's Hall OCCS was some 3km north of Stobswood Village and the former colliery. This mine evolved and was an amalgamation of West Chevington OCCS and Junction OCCS. RJ Budge Mining UK Limited were authorised to operate Maidens Hall OCCS under Part 1 of The Environmental Protection Act 1990 in 1997.

In 2002 Maiden's Hall was extended southwards into the area of the former Colliersdean OCCS and then resulted in the Steadsburn OCCS near the former Widdrington Disposal Point. The final Maiden's Hall site incorporated several OCCS boundaries including Colliersdean and West Chevington, both operated by British Coal.

The Council have not been able to locate records relating to the surrender of the sites, though they do note that the sites had ceased coaling and were being restored by 2006/2007.

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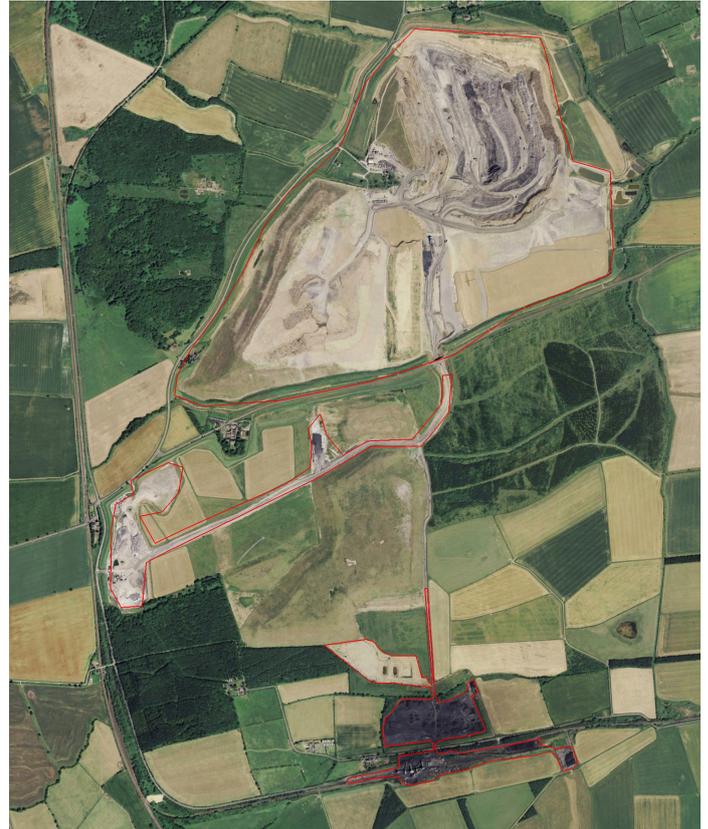
Stobswood and Maiden's Hall open cast coal mining *(continued)*

Figures 1³ and 2⁴ below are Google Earth images taken from 2002 and 2006 showing the sheer scale of opencast mining in the area.



Figure 1 | Rough extent of Stobswood OCCS, c.2002

Figure 2 | Rough extent of Maiden's Hall OCCS, c.2006.
Note coal processing area and railway loading in the south.



Infilling and contaminated land site status: all is well

The Council advised Groundsure that it is highly unlikely that given the nature and scale of disturbance during the extraction of coal it would have resulted in any specific contamination at or near the current surface level. The current subsoil and topsoil would have been taken from soil stockpiles that stood for more than a decade undisturbed, and would have been laid by a limited amount of plant (dump trucks and scrapers). The result is (mostly) farmland put back in at least the state it was in prior to the mining operations.

Therefore, it is the opinion of the Public Health Protection Unit that the areas which were the extraction void, overburden or baffle mounds and associated activities do not present a risk that would need to be considered under Part 2A or the Environmental Protection Act 1990. The main risk in this case would be to have possibly caused a source of ground gas from the oxidation of buried, highly fragmented overburden rock.

Considering the above, why then would Groundsure continue to consider there to be a risk at these sites?

Restoration and aftercare: therein lies the problem

The additional information gathered by Groundsure indicated that the Mineral Planning Authority at Northumberland County Council required the mining sites to be restored in line with comprehensive planning conditions and required aftercare plans to be put in place.

Restoration and aftercare plans of this extent carry significant liabilities and financial responsibilities. Any buyer would likely inherit these liabilities and the potential responsibilities for their implementation. As such it would be irresponsible for Groundsure to issue risk assessments summarising an 'Acceptable Environmental Risk'.

A positive outcome

After further investigation, Groundsure found restoration plans that had been signed off and implemented, along with aftercare regimes that had been signed off (but not fully implemented). Considering the nature of aftercare regimes and the extended time period required for their successful implementation, sign off in the near future was considered unlikely.

Following discussions with individuals at Savills, it was agreed that as potential buyers were being made more than aware of the aftercare requirements for each Lot for sale, the associated risks could be managed and mitigated. Appropriate wording and recommendations were subsequently added to the Groundsure reports that focused around the consideration of suitable financial planning for the aftercare requirements prior to purchase. This resulted in us being able to issue an informative report that was favourable for banking security and that the client could include in sales brochures and data rooms.

Figure 3⁵ shows the former opencast mining areas following restoration. The outlines have been left on this figure to make an easy comparison.

¹ Historic England: <https://historicengland.org.uk/services-skills/education/educational-images/stobswood-coliery-widdrington-village-11519>; (visited 17/07/19);

² RSPB: http://www2.rspb.org.uk/Images/opencast-coal-mining_tcm9-353523.pdf (visited 17/07/19)

³ Google Earth © 2019 Infoterra Ltd & Bluesky;

⁴ Google Earth © 2019 Infoterra Ltd & Bluesky;

⁵ Google Earth © 2019 TerraMetrics

Often, restoration bonds have been required on previous opencast coal sites in the UK, though in this case Groundsure were not made aware of any such scheme. The bonds, designed to cover restoration costs if necessary, have not always proven successful. Following the liquidation of ATH Resources and Scottish Resources Group, it has been estimated that across Scotland (around 1/3 of opencast coal mining in UK), the taxpayer may need to meet a shortfall of up to £100m to cover restoration due to inadequate bonds².

This underlines the liabilities and financial responsibilities buyers may inherit in this case.

Figure 3 | Rough extent of both Stobswood and Maiden's Hall OCCS, c.2019.

Note the number of ponds over former casting areas.

