



Mineral Products Association

The MPA Restoration Guarantee Fund

... An industry pledge



Quality restoration of land borrowed for the extraction of minerals is one of the trademarks of the modern quarrying industry. Indeed, without proper provision for restoration, secured through planning conditions, permission to operate a quarry is never given. However, the MPA Restoration Guarantee Fund (MPARGF) acknowledges that it could be difficult for restoration conditions to be enforced if an operator becomes **financially insolvent**. It is precisely for **that reason** that the MPARGF was designed; to give communities, landowners and planning authorities the confidence that even in those circumstances quarrying will not leave a legacy that they will be left to clean up. That is the MPARGF pledge. Because it is so effective in giving that security, the MPARGF is endorsed by Government through the National Planning Policy Framework.

Key points:

- All MPA Members regard their restoration commitments as paramount.
- Insolvency, whilst rare in the industry, could leave quarried land unrestored.
- The MPARGF ensures that will not happen.
- The Fund is well-established; it has evolved from a scheme first created in 1975 and has full Government endorsement.
- The Fund has never been called upon.
- It provides a £1million overall guarantee against restoration default with a single claim limit of £500k.
- Financial support is provided without recourse to lengthy and costly legal processes.

Committed to restoration

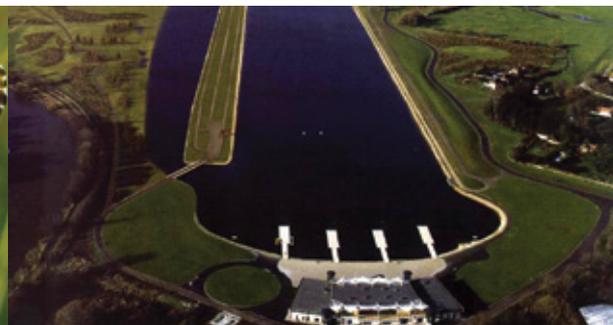
MPA members are proud of their record on restoration. They know that unless worked-out sites are not only left safe and tidy but also carefully designed to maximise their value to local communities, landowners and the wider environment, the industry can never claim to be truly sustainable.

Restoration is an integral part of the quarrying process. Detailed plans for restoring the land to beneficial use are part of the planning permission process and

are agreed well before extraction begins. Restoration is usually progressive and may involve a return to a previous use such as farming. Alternatively, it may create opportunities for new uses such as nature conservation, wildlife reserves or recreation facilities that benefit both the community and the environment.

The mechanism behind the MPARGF reflects commitment to shared objectives. In the unlikely event that an MPA member is unable to meet its financial obligations for restoration, the other members will collectively provide the necessary financial support to make sure that the work is done.





A well established financial guarantee

The MPARGF has been established for many years. It was first introduced by the Sand and Gravel Association (SAGA) in 1975. The Fund has been strengthened by successive mergers to become what it is today, with over 70 members, covering **sand and gravel, crushed rock aggregates, industrial sands, lime and dimension stone**. The Fund gives assurance to planning authorities and the public, through a financial commitment that is not provided alongside any other form of development.

Mineral resources have considerable value. If a quarry company fails financially it is unlikely that there will be a shortage of other operators wishing to acquire their assets. The obligations to restoration 'run with the land' and are immediately binding on any new owner.

Partly worked sites are most unlikely to be orphaned but the Fund provides an important safety net to ensure that even in those unlikely circumstances, restoration is secured.

How it works

The MPARGF is an arms-length limited company which provides a £1 million overall guarantee to planning authorities against a restoration default. It applies to all extraction sites operated by Fund members, including those producing rock, sand and gravel, industrial sands and dimension stone. Sites which principally supply materials for cement manufacture are specifically excluded from the cover provided.

A planning authority can submit a claim when the operator of a quarry is unable to meet restoration obligations that arise through a planning condition. The only terms of eligibility are that the operator concerned is unable to comply as a result of a financial failure and that the planning authority should have used every enforcement power available to them to achieve compliance.

The maximum that will be paid by the Fund is £500k per claim and the overall limit is £1 million.



The Fund has monies on deposit and any additional amounts needed to meet a successful claim are raised from the membership.

Once accepted for membership, an operator continues to be a member of the MPARGF until such time as they cease to be a member of the Mineral Products Association. A list of members is updated annually and is available from the MPARGF.

The Fund provides planning authorities with a credible alternative in circumstances where they might otherwise feel that a financial bond is needed before planning permission can be granted.

It is endorsed by Government in England (see Paragraph 048 of the National Planning Practice Guidance).



Questions and answers

Which quarries are covered by the Fund?

Any quarry operated by a MPARGF member (ie members of the MPA) with the exception of one producing materials predominantly for the manufacture of cement.

In what circumstances can claims be made?

When a MPARGF member has not fulfilled restoration obligations, has become insolvent and the planning authority has made all reasonable efforts using their enforcement powers.

Who can make a claim?

The mineral planning authority.

Is any cover provided for landowners?

The MPARGF provides a straightforward means for planning authorities to secure funding for restoration. Under most circumstances this would render the more litigious process of pursuing a claim against a landowner much less likely.

How will a claim be handled?

All claims will be handled quickly and efficiently by the Directors of the Fund. Members are fully aware that anything less could seriously undermine the credibility of the Fund. Within the MPA membership there is extensive restoration expertise that could be drawn upon to ensure a good outcome.

How can a mineral planning authority make a claim?

If a member of the Fund fails financially and as a result has defaulted on restoration obligations attached to a planning permission and if the planning authority has used all their enforcement powers to no avail, a claim will be accepted. A claim can be made a year after the date on which an enforcement notice should have been complied with.

How much can the planning authority claim?

Up to £500k can be awarded for each claim, up to a maximum of £1m overall.

Why is there an overall limit of £1million?

This limit has been arrived at after careful assessment of the likely cost of restoration of the sites operated by the membership. Aggregates, industrial sand and dimension stone workings are typically much smaller and shallower than those for other minerals such as coal. In addition, many sites are restored progressively throughout their lives and at any one time the area of exposed but unrestored working is therefore minimised.

What happens if an MPA member resigns whilst defaulting on their obligations?

Once an operator becomes a member of the MPARGF, their membership only ceases if they resign or are otherwise excluded from membership of the Mineral Products Association. Claims against the Fund will be eligible for consideration up to 12 months after the member concerned ceases to be a member.

So will claims be accepted if a member becomes insolvent during the 12 months after they cease to be a Fund member?

Yes.

Is the Fund too close to the operators to be objective when a claim is made?

The Fund is a separate registered company. The Board includes Directors who have no allegiances to any MPA member company.

Is it possible for an MPA member not to be covered by the guarantees provided by the Fund?

All new MPA members are automatically considered for membership but are accepted at the discretion of the Directors. The majority of MPA members are also MPARGF members.

The Mineral Products Association is the trade association for the aggregates, asphalt, cement, concrete, dimension stone, lime, mortar and silica sand industries.

For further MPA information visit
www.mineralproducts.org

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