Duty to Co-operate Discussions: Local Aggregates Assessments, Shropshire, Staffordshire, Solihull and Walsall (for West Midlands Metropolitan Authorities), Warwickshire and Worcestershire

Date and Time: 10th February 2015 10:30 am
Location: Staffordshire County Council Offices
Present: WCC: Nick Dean (also representing Herefordshire)
    Shropshire Council: Adrian Cooper (Chair)
    Staffordshire CC: Mat Griffin
    Solihull MBC: Maurice Barlow *
    Walsall Council: Dawn Sherwood *
    Warwickshire CC: Tony Lyons
* Also representing other West Midlands Metropolitan Authorities (Birmingham, Coventry, Dudley, Sandwell and Wolverhampton). Note: for the purpose of AWP/ LAAs, the seven West Midlands Metropolitan Authorities are currently working jointly together through the West Midlands Metropolitan Authorities Duty to Co-operate Group.

1) Introductions
2) Agreement on matters to be discussed, noted West Midlands Metropolitan Authorities do not have an LAA yet, though a draft is expected to be available in time for the next AWP meeting.

Matters covered:
- Status of and response to WM AWP Secretary’s feedback on the submitted LAAs in the W Midlands both individually and collectively
- Broad principles of content of LAAs;
- Assessment of “other” matters to be considered in LAAs;
- Role of the AWP;
- Engagement with the Minerals Products Association (MPA), British Aggregates Association (BAA) and East Midlands AWP Chair; and
- Matters for inclusion in next AWP agenda.

Agreement was reached on all of these, and it was also agreed that there are no matters of concern between any of the Mineral Planning Authorities about the content of the LAAs produced in 2014. Discussion was also agreed to apply to all aggregates but focussed on sand and gravel.

WM AWP Secretary comments on LAAs – key areas of concern:
- Assumption that LAAs can do more to quantify future requirements for aggregates supply than national policy guidance requires/ than is supported by the evidence, given the limitations of the information available;
- Assumption that LAA analysis of supply and demand should identify shortfalls in specific aggregate commodities such as concreting and building sands;
• Suggestion that the evidence on demand in the 2014 LAAs – largely based on housing data – indicates a shortfall between likely demand and supply, which the AWP will need to address; and

**Other matters of mutual interest**, notably agreement in principle to WCCs approach to crushed rock provision; to identify Areas of Search in the Malvern Hills and Bredon Hill but to recognise that no applications are anticipated to extract crushed rock in Worcestershire and that the unmet demand for CR can and will be met by the other councils in the West Midlands, according to market demand. Agreed that WCC will put a paper on this to the next AWP for discussion with the industry.

3) **Content of LAAs on Demand - following points agreed:**

- that NPPF paras 145 and 163 and NPPG paras ID 27-062 and ID 27-064 are the primary sources of advice on the evidence that LAAs should use to assess future “demand”

- that the rolling 10-years sales average is currently regarded as the best guide to the quantities needed (following the Northamptonshire CC’s Inspector’s report of August 2014 (the NCC IR paras 52-55)

- that this did not have to be the most recent 10 years if “other relevant information” suggests alternatives (NCC IR para 55), for example if the most recent 10 year trend is held to be unrepresentative.

- that "other relevant local information" – where available - could act as a "sensitivity" test against the rolling 10 year average sales figures, but could not usefully inform estimates of the quantities of aggregate minerals needed.

- that landbanks should be monitored in terms of their resilience to changes in production including monitoring existing sites/ reserve areas to maintain capacity to produce aggregate.

- that the regional guidelines 2005 -2020 remain a material consideration in terms of understanding overall demand ( see NPPG: ID 27-070) but should be considered in the context of actual sales and evidence of growth (see also NCC IR para 62).

- that housing numbers on their own are not an appropriate “proxy” indicator of the future demand for aggregate minerals; W Midlands housing figures are broadly reflected in aggregate supply, but only broadly. There are problems of local disaggregation between sand and gravel used in building (e.g. building sand) and sand and gravel used to manufacture products (e.g. concrete) which could be used in all kinds of development not just housing, there are also variations in aggregate consumption across the former region because different sizes of dwellings require different amounts of aggregate, rural development and urban development are different in kind and aggregate use, changes in construction technologies in the future are also likely to involve changes to the volumes and kinds of materials used, e.g. new BREEAM standards, more efficient practices on site, new materials, e.g. wood – all of this means that any projections based on the projected scale of development can only be indicative.

- The MPA (WM AWP minutes of meeting 24th June 2015) does not support the idea of estimating demand from housing numbers.¹

¹ "What is an average house?" KH (MPA) questioned the premise, he stressed that housing did not constitute 60% of aggregates market suggested by some; housing and related infrastructure accounted for only 15%; repair and maintenance as a whole was a further third – so these two categories together made up half of all usage.
- the use of 3 year average sales figures – as suggested in NPPG para ID 27-064 - is therefore of very limited use, it indicates the most recent trend, that is all (NCC IR para 59)

-similarly, identifying large new development could indicate trends but. "It was agreed between NCC and the Minerals Products Association (MPA) that no direct links can be made between the quantity of development in an administrative area and the overall aggregate provision from that area.....Proximity to the development location would appear to be the principal determinant of source.... A further example of the risks to using growth as a predictor of demand is the fact that, although about 24km of the proposed HS2 line would pass through Northamptonshire, NCC understands from HS2 Ltd, the promoters, that no aggregates would be sought within the county in connection with that major infrastructure project." (NCC IR para 58)

-Warwickshire confirmed that their experience is the same; material for the length of HS2 in Warks will not be supplied locally.

-Herefordshire’s and WCCs experience is that multi-national companies often prefer to buy from their own subsidiary/sister companies, than from local rivals.

4) Supply issues

• The NPPF and NPPG advise that LAAs should include an assessment of all supply options, including secondary and recycled aggregates, and imports and exports as well as primary land-won aggregates (NPPF paragraph 145, NPPG paragraph ID 27-063) including Competition from other land uses – pressure for non-mineral development (particularly housing, also infrastructure projects) in mineral resource areas, particularly in the West Midlands Metropolitan Area.²

It was also noted that “supply” includes provision made in mineral local plans for working of unpermitted resources, as well as supply from permitted reserves. Experience in Staffordshire, Solihull and Walsall shows that resources identified in mineral local plans (e.g. through site allocations, preferred areas or areas of search) are not always taken up, and that permitted reserves are not always exploited – some sites can be “mothballed” for many years. Evaluation of supply in LAAs may have to explain that this is not necessarily a failure of the planning system if production doesn’t meet projected (indicative) demand. The following recent trends in take-up of mineral extraction sites were noted in the West Midlands:

• The aggregates industry’s response to the recession appears to have been to put mineral extraction proposals “on hold” and the major players have not been actively pursuing new sites in most areas;

• Most mineral planning authorities reported a lack of interest in putting forward sites for allocation in emerging local plans, with most activity now focused

² As reported by MB and DS – Solihull Local Plan (sand and gravel resources potentially sterilised by HS2), Birmingham Local Plan Examination (sand and gravel resources potentially sterilised by proposed Langley SUE urban extension, conflict with MPA position and views of one operator in a letter appended to the land owner’s (Mr Gilmour) Hearing Statement – see Examination Documents on Matter D), and Walsall SAD (housing sites put forward in the sand and gravel resource area).
around smaller sites operated by small or medium sized businesses (though there appears to be limited interest even from them);

• Quality and feasibility of working are also important issues, as interest in working a deposit depends on the type of commodities present and how easy it is to extract them – sand and gravel resources in some areas (e.g. Shropshire) were reported to be of poor or variable quality/difficult to work, and this was believed to be a factor in the current lack of interest in these areas.

5) Landbanks for different aggregate commodities:

it was agreed that in the West Midlands, this is not practical for the following reasons:
- The strata tend to be too varied to enable adequate estimates to be made,
- The data is too poor; there are so few operators producing specialist minerals that any such a dis-aggregation would breach confidentiality agreements, most MPA’s total figures are already merged with their neighbours, identifying sub types of aggregate would require even more confusing arrangements.

6) Other relevant information: agreed that increased demand would be revealed in other ways e.g. Increasing sales/rapid reductions in landbank, applications to extend working hours, extend plant capacity or lorry movements would all usefully indicate trends.

7) Conclusions

1) It was agreed that the AWP would discuss the AWP Secretary’s comments but the Chair would recommend that while the Secretary’s comments are useful and mineral planning authorities should consider them they do not necessarily represent the views of the AWP unless formally endorsed by a majority of AWP members.

2) It was agreed that the AWP would discuss drawing up an advice note to clarify what kind of information could be identified in LAAs Further information would be sought relating to the use of aggregates in construction and in particular whether there was relevant information published by the ICE and NISP which could be used to identify the scale of development likely to generate a significant net increase in demand for aggregates, over and above the demand likely to have been factored into the sub-national Guideline, and/or likely to be provided by a rolling forward of past 10-year average sales.

Agreed:
Nick Dean, Adrian Cooper, Dawn Sherwood, Maurice Barlow, Tony Lyons, Matt Griffin