Examination of The New Minerals Local Plan for Staffordshire (2015 to 2030)
Final Draft – June 2015

Wednesday 30th March DAY 1

Statement of the Mineral Products Association

VISION AND STRATEGIC OBJECTIVES

Issue: Whether the Vision or Strategic Objectives reflect the need to maintain a steady supply of minerals

1. Should the Vision or Strategic Objective 1 include the recognition of the need for a steady supply of minerals to be maintained as indicated in NPPF?

MPA Comment

1. We do not wish to add much more to this question than what was contained in the original objections. The only reference to a steady and adequate supply of aggregates is a fleeting reference in para 2.16 of the Plan. There is no reference to this fairly fundamental aspect of national policy anywhere that we can see in Chapter 6 – Vision and Objectives, all of which are about environmental matters, restoration and safeguarding. We do not have any objection to such objectives, but the absence of a commitment to achieving a steady and adequate supply of aggregates is, we believe, symptomatic of the approach of the Council to minerals, which seems to be to limit it as much as possible. This is evidenced in such polices as Policy 1 where provision is made ‘up to’ a certain level, rather than the minimum levels with no ceiling envisaged by national policy and guidance. The industry regards the lack of a reference to such a fundamental concept of steady and adequate supply in local plan provision as unacceptable especially as we regard a local plan’s chief objective should be to make such provision.

2. National policy begins in NPPF para 142 with a statement of the essential role of minerals in the national economy and how important it is that there is a sufficient supply of material to provide the infrastructure, buildings, energy and goods that the country needs. In para 145 this is interpreted in the well known phrase ‘a steady and adequate supply’, which the industry holds dear.

3. In terms of national guidance PPG para 12-001 outlines what local plans should do including setting out a vision and framework for future development of the area, addressing needs and opportunities as well as a basis for safeguarding the environment, adapting to climate change and securing good design. Para 12-002 says local plans should focus on the key issues and be ‘aspirational but realistic in what they propose’. So it is legitimate for local plans to be seen as
vehicles for necessary development whilst protecting the environment. Facilitating development comes first in the order of what a local plan is supposed to do.

4. We believe this is soundness issue and it goes to the heart of what a mineral local plan is about. We do not understand the reluctance of the Council to inserting such a major objective unless there is an underlying attitude that mineral extraction must be curtailed for some reason.

**Issue: Whether appropriate provision is made for the steady and adequate supply of minerals of local and national importance**

**Land-won Sand and Gravel**

**Policy 1**

1. Explain whether or not the provision for sand and gravel should be more reflective of the Sub Regional Apportionment (SRA) compared to the average annual sales for over the preceding 10 years?

**MPA Comment**

1. We believe the provision for sand and gravel should more fully reflect the SRA for the following reasons

   - By no means all mpas have opted for the bare ten years average. We gave evidence in our objections that mpas in the North East, Yorkshire & Humber and the East of England have adopted what we call the North Yorkshire methodology. This takes the ten year average and adds to it a factor for growth based on the percentage change in expected housing completions multiplied by the percentage of the housing sector to the total market for sand and gravel. The conclusions to the North Yorkshire Discussion Paper using the methodology is appended (Appendix 1A) and the full document can be found here for reference purposes, [http://www.northyorks.gov.uk/media/29804/Aggregate-forecasting-demand-paper/pdf/Aggregates_discussion_paper.pdf](http://www.northyorks.gov.uk/media/29804/Aggregate-forecasting-demand-paper/pdf/Aggregates_discussion_paper.pdf) I will deal with this in more detail under question 2.

   - Other mpas in East of England (Cambs, Norfolk, etc) have opted to retain the SRA in the assumption that growth pressures will continue in the long term.

   - The LAA contains an analysis of housing and employment growth potential in local plans but this is not followed through to an analysis of future demand. This would have indicated that demand is likely to be above the 10 year average in the future. I append an analysis of three LEP Strategic Economic Plans published in 2014 for consideration by government for grant bids. (Appendix 1B) These plans will be to some extent aspirational, but then according to NPPF, so should local plans. Even so, they show a need for infrastructure in
the LEP areas and a shortfall of housing and employment land. The Stoke on Trent and Staffs SEP identifies a need for at least 3,370 new houses each year, and the LEP aims to grow the economy by 50% in 10 years adding 50,000 new jobs. In the Black Country the SEP aims to increase the housing stock by over 47,000 new homes, deliver an additional 937 ha of employment land and unlock potential through infrastructure improvements. The Greater Birmingham SEP (which also covers east Staffs along the A38 and M42 corridors) indentifies a potential gap of 40,000 homes by 2033. The scale of long-term growth could be up to 50% higher than the levels of provision in existing development plans. The SEP aims to increase employment by 150,000 jobs in total and plans to capitalise on infrastructure improvements such as HS2. On the basis of current projections, Birmingham’s supply of employment land will run out in 2023, making it even more important that land is recycled to maximise opportunities elsewhere.

- Reliance on a ten year average will be severely damaging to the supply of aggregates for future development needs. I have carried out a scenario analysis based on historic sand and gravel output figures obtained from the LAAs for Staffs, and projected two scenarios on them to see the effect on the ten year average (Appendix 1C). Because of the length of the recession and its depth, the 10 year average will not ‘catch up’ with allocated provision of 5 mtpa in either a level or a rising scenario for sales by 2022 and in fact, the average will be barely affected by whether sales increase or not. The 10 year average has to be informed and modified by a forecast of future needs or it will lag behind. On its own it is not sufficient to meet identified need particularly if it unnaturally constrains output.

- NPPF and PPG leave us with only two alternatives. First, is the 10 year average usually now not accompanied by any attempt at a quantitative uplift recognising growth in local plans or economic plans; second, is reference to the SRA which PPG tells us that in cases where individual mineral planning authorities are having difficulty in obtaining data the National Guidelines for Aggregates Provision will supply some understanding or context of the overall demand (PPG para 27-068) and can be a material consider ation for development plans. Thus the AWP was agreed that the old SRA is ‘an indicative reference point’.

- The MPA’s acceptance of the 10 year average is based on evidence that it is ‘business as usual’. Thus we have never objected to its use for crushed rock in local plans for example. However, sand and gravel is different in that landbanks tend to be much lower than for rock and getting provision wrong can be much more devastating. For example, the sand and gravel landbank in Staffs has declined by an alarming 37% since 2004 (Table 2, LAA 2015).

- We are increasingly facing resource scarcity that is affecting production in previously important areas, and placing more pressure on counties with more plentiful resources, which is the situation in Staffs. So, apart from the lack of attention to forecasting demand
in the LAA and plan, a number of strands of evidence is showing that the resources in surrounding areas are running out.

- As an example, I append a schedule that Tarmac submitted to the call for sites by Leicestershire County Council last year (Appendix 1D). This shows that insufficient new resources have been identified to carry forward current levels of production until the end of the plan period, because of lack of resources. In fact, unless further resources are identified Leicestershire will have only one site operating by 2031.

- A further example is provided by Warwickshire County Council’s Minerals Plan Preferred Options. This plan allocates 9 sites containing 11.6 mt. However, not all the sites appear to have industry support, and several are very small and therefore may not represent viable workings unless treated as extensions to existing workings. Moreover, some sites are also very large in extent with modest resources indicating thin deposits, which again, may not be viable.

- Problems with resources in surrounding counties to Staffordshire, which is undeniably blessed with abundant resources, means that further pressure will be directed towards Staffs. The Examination also needs to bear in mind that most of the sites in the county are very large producers of sand and gravel – some of the largest in the country - and that Staffs is the premier location for sand and gravel production in England. Consequently, what happens in Staffs will have disproportionate implications for the industry.

- Policy 1 pegs provision to the 10 year average as a maximum, which is surely a misuse of the word ‘average’. That demand can and has, been much higher than the average is a fact. If there is a policy ceiling on sand and aggregates extraction, it will artificially depress sales in a rising market, put pressure on other locations to make up the shortfall and starve the construction industry of much needed raw materials. Our members also report that recent planning permissions in Staffordshire have had production limits imposed by condition despite there being no evidence of traffic, highways or environmental impacts that would justify it. Needless to say this worries the industry, and together with a restrictive supply policy would undoubtedly stifle sales. As such, we oppose the wording in Policy 1 about production capacity being provided ‘up to’ a certain figure and would ask that it be replaced with ‘at least’.

- Some commentators may refer to substitution issues in that it is feasible in many uses for crushed rock to substitute for sand and gravel. In anticipation of this objection, I would only say that yes, this is possible, but a source of fines for the crushed rock coarse fraction also needs to be found, and in any case concreting sand is at a premium all over the country. Furthermore, customer demand for sand and gravel shows no sign of abating and for certain applications like facing concrete is preferred over crushed rock.
2. To summarise, reliance on the bare 10 year average for will be insufficient for further demand for sand and gravel. The only other recourse we have is to the SRA in the absence of any attempt by the mpa to carry out a forecast of demand. We propose that the plan should adopt the SRA and develop it sown forecasting methodology which could be presented at an early review.

2. Comment on the feasibility of estimating the demand for aggregates over the next 10 years. Should more account be taken of the demand for aggregates arising from new housing in the West Midlands conurbation?

1. There is no universally agreed method of forecasting demand for sand and gravel but the North Yorkshire method (NYCC) allows an attempt at doing so. NYCC published a discussion paper on aggregates forecasting in 2014 which formed the basis of its LAA analysis (Appendix 1A). This method has subsequently been adopted as well by the North East mpas (mostly) and by mpas in West Yorkshire. The methodology was developed in conjunction with the MPA and although we recognise that it is not perfect, it does at least represent an effort to get to grips with a knotty problem, particularly in a situation where there are declining resources.

2. If we used the same method in Staffordshire using the available housing statistics in the LAA we would find that average annual housing completions in Staffs would rise by 114% over past trends, and in the West Midlands by 147%. Whether this reflects current adopted plans or more recent projections of housing demand, I don't know. These figures do not compare well with the figures presented in the SEPs identified in Appendix 1B. I haven't carried out a comprehensive analysis of the impact of this but adding the two figures of housing together gives an uplift of 133%. However, if this method were to be used, it would also have to factor in known rates of construction of employment land and infrastructure as well.

3. In fairness to the County Council there is a rebuttal of the MPA’s suggestion of a higher level of provision in the LAA. This makes much of the Northants Inspector’s Report. However, we do disagree with his conclusions since PPG specifically directs practitioners to the National Guidelines as a material consideration, and we think his comments are unhelpful to mineral planning and somewhat contradictory in effect. It has long been recognised that forecasts are inaccurate; my view would be that if a forecast was accurate, it would be by accident. But that is not the point. As planners, we must have something to aim for or planning becomes impossible. Even a 10 year average is a forecast of sorts. However, as the Inspector said, the past is not always a good predictor of the future. Indeed, but that is what he is advocating in Northants, and the County Council is advocating here.
4. A 10 year average would be acceptable as a planning tool if there was a large landbank to cushion getting it wrong (as is the case with crushed rock in most places), and if the cyclical nature of demand did not throw up many anomalies, i.e. the annual fluctuations were balanced throughout the cycle. However, neither of these applies in sand and gravel. The industry is genuinely concerned that current approaches by mpas to forecasting sand and gravel demand will lead to underprovision, particularly when there is evidence of failing resources around the country, a falling landbank and a sanguine attitude to the effects of the longest and deepest recession in living memory. In such cases, the past is definitely not a good predictor of the future. Our frustration is that with a few honourable exceptions mpas are not addressing the issues of data availability and robustness of forecasting methodologies seriously.

5. If the Examination concludes that there is no viable alternative to using the 10 year average for forecasting the demand for sand and gravel, then we would ask that policy should be formulated to be as flexible and as welcoming of new working as possible if demand can be shown to warrant it. We have no confidence in the County Council’s proposed solution of an early review because these almost never materialise. The last mineral plan for Staffs ended ten years ago and I am sure there were good reasons why it was never reviewed until now. Yet despite the best of intentions the industry has not had the benefit of an up to date plan for that time. This is another reason why we would ask for a future-proof plan now that can still respond to increased demand without a review.

3. **Explain how maximum account has been taken of the contribution of substitute, secondary and recycled materials and minerals waste to the supply of materials.**

1. Although this is principally a matter for the mpa to advise the Examination, the LAA contains very little information on secondary and recycled aggregates, which is not a criticism. The paucity of local information on alternative materials is a long standing issue. NPPF requires mpas to take account of secondary and recycled aggregates (paragraph 143 bullet point 2) in local plan making.

2. Thus the consideration of alternative sources of aggregates is a plan making matter concerned with ‘top slicing’ secondary sources before calculating the supply of primary materials. It is also as NPPF points out in paragraph 145 a matter for the Local Aggregates Assessment.

3. Paragraphs 27-062 & 27-063 of the PPG contain references to the need for mpas to assess all supply options including recycled and secondary aggregates. Paragraph 27-065 mentions local sources of data for construction and demolition waste arisings and recovery/disposal routes
deposits including disposal at mineral sites, which includes survey data collected by the Environment Agency, plus any work carried out by the Aggregate Working Party (AWP).

4. Despite the current lack of local information on the level of use of alternative materials the current national figure for recycled and secondary aggregates as a proportion of the total market is 29% (MPA - The Mineral Products Industry at a Glance, 2015 – 60 Mt of secondary & recycled material out of a total market of 209 Mt (28.7%) page 7).

5. The MPA knows of no game changing events or drivers that will see significant increases in arisings or recovery for these materials, nor has any reason to believe that Staffs will produce any less or more than the national average. Secondary sources benefit from significant fiscal advantages over primary materials in the form of exemptions from the Aggregates Levy and avoidance of the Landfill Tax. As such, they will continue to be much cheaper than primary materials and thus favoured where specifications can accommodate them. Moreover, the MPA’s members invariably offer a range of products including primary and secondary materials to customers so the mpa can have the assurance that the industry is not needlessly extracting primary materials when secondary materials will do the job just as well.

6. Arisings of secondary materials will continue to rise and fall with economic conditions in the same way that demand for primary materials varies. Therefore, the two types of material will parallel each other and we expect the level of use of recycled and secondaries to remain broadly at the current level of 28 - 29% of total consumption. Given this any increase in primary mineral extraction activity will not be at the expense of secondary usage.

4. What has been the demand for secondary and recycled aggregates been over the last 3 years?
1. I am not able to comment on this question.

5. What is the most recent sales information for sand and gravel in Staffordshire (last three years)?
1. We would advise a cautionary approach to the three year average. It is necessarily a few years behind current trends because of the time lag in the system of collecting the information. It is also affected in Staffs, as our representations to the Local Plan made clear, by particular circumstances of some sites coming to an end or operators preparing for new reserves to come
on stream, and thus temporarily depressing sales. In other words, demand for material has been higher than the sales figures suggest.

2. There appears to be a difference between some mpas and the industry about how to interpret the 3 year average. PGG para 27-064 says “Mineral Planning Authorities should also look at average sales over the last three years in particular to identify the general trend of demand as part of the consideration of whether it might be appropriate to increase supply.” Many mpas will only consider the three year average significant if it rises above the 10 year average. However, PPG is clear that the reason for examining it is to identify the general trend of demand. Therefore, in our view, the only consideration is whether the three year average looked at year by year shows whether the trend is going up or down. If it is going up, then consideration should be given to increasing supply.

3. The three year average for sand and gravel for Staffordshire sand and gravel is given below from 2004 to 2014 (I have inserted the AMRI figure for 2014). This shows that there was a steep decline from 2008 as expected, but that this has reversed since 2012 and is now increasing. This we interpret as a small but welcome restoration of demand, which is increasing again.

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>3 yr ave</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>6.10</td>
<td>6.19</td>
</tr>
<tr>
<td>2005</td>
<td>5.80</td>
<td>6.05</td>
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<td>2006</td>
<td>6.80</td>
<td>6.23</td>
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<td>2007</td>
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<tr>
<td>2013</td>
<td>4.09</td>
<td>3.87</td>
</tr>
<tr>
<td>2014</td>
<td>3.91</td>
<td>3.90</td>
</tr>
</tbody>
</table>

6. Should there be a separate provision and landbank for building sand?

1. The MPA has no comment to make on this question in this Statement. However, we may wish to participate in the discussion of these points if it proves helpful to the examination.
7. Should the landbanks advised for sand and gravel and crushed rock be identified in the policy?

1. The industry was instrumental in getting minimum landbanks accepted as part of planning policy for aggregates nationally and is still focused on this tool as an essential component of local policy. We regard the inclusion of both references to minimum landbanks and to the level of provision essential to a sound approach to aggregates planning in that these figures determine the level of provision in a local plan and the minimum level of release of that provision. Without such commitment in a local plan it will be difficult to judge need for mineral.

2. In line with paragraph 145 bullet point 5 of the NPPF which says that landbanks should be used principally as an indicator of the security of aggregate minerals supply, and to indicate the additional provision that needs to be made for new aggregate extraction and alternative supplies in mineral plans, PPG paragraph 27-080 makes clear that a landbank is a monitoring tool for forward planning purposes. PPG Paragraph 27-082 suggests there are three purposes for landbanks. They provide the basis on which the level of provision of new areas for aggregate extraction should be calculated, they are an important means of assessing when an mpa should review the current provision of aggregates, and low landbanks may be an indicator that suitable applications should be permitted as a matter of importance. PPG Paragraph 27-084 declares that there is no maximum landbank level.

3. Landbanks are therefore the other side to the calculation of provision in Local Plans. Once a demand for aggregates is determined, the existing landbank is deducted from the figure to provide the indication of the level of future provision. The plan should therefore set out the minimum landbanks of seven years and ten years as required by NPPF paragraph 145 bullet point 6. Moreover, we therefore believe that by not putting a policy target figure of provision in terms of a total tonnage for the plan period and an indication of an annualised average provision, the Plan does not demonstrate an appropriate approach to maintaining landbanks.

4. We have suggested changes to Policy 1 which are reproduced below;

   Policy 1: Provision for Sand and Gravel

   Extensions to sand and gravel sites

   1.1 A steady and adequate supply of aggregates will be provided which maintains a minimum landbank (permitted reserves) of 10 years for crushed rock aggregates and a minimum landbank of 7 years for sand and gravel throughout the plan period.

   1.42 During the Plan period provision will be made to maintain permitted reserves of XXX Million tonnes with production capacity of up to 5.0 at least 6.7 million tonnes of sand and
gravel per annum. This will be achieved initially from existing permitted reserves and by
granting planning permissions to extend the following sand and gravel sites and by new sites
as need arises.

a) Captains Barn Farm (Inset Map 1)
b) Croxden (Inset Map 2)
c) Uttoxeter (Inset Map 3)
d) Newbold (Inset Map 4)
e) Barton (Inset Map 5)
f) Alrewas (Inset Map 6)
g) Calf Heath (Four Ashes) (Inset Map 7)
h) Saredon (Inset Map 8)
i) Cranebrook (Inset Map 9)
j) Hints / Hopwas (Inset Map 10)
k) Weeford (Moneymore) (Inset Map 11)
(The allocated extension sites listed above are shown on the Proposals Map and
accompanying Inset Maps included in appendix 1.)

1.23 Any proposals to develop the allocated extension sites will only be supported where it
has been demonstrated that they accord with the Plan policies, including Policy 4 and
addressed the development considerations listed in appendix 1.

1.3 Planning permission to extend a site will normally be conditioned so that the extension
area can only be worked following cessation of mineral working within the existing site unless
it has been demonstrated that there are operational reasons why this is not practicable.

Proposals for new sand and gravel sites within the area of search

1.4 Proposals for new sites within the area of search to the west of the A38 shown on the
Proposals Map will only be supported where it has been demonstrated that the applicant
needs new permitted reserves or new capacity is needed to meet demand or allocated
extensions to existing sites listed above cannot meet the required level of provision stated in
paragraph 1.1.

1.5 Any proposals to develop new sites within the area of search to the west of the A38 will
only be supported where it has been demonstrated that they accord with the Plan policies,
including Policy 4 and addressed the development considerations listed in appendix 1.

Proposals for any other sand and gravel sites
1.6 Proposals for any other sand and gravel sites such as those providing specialist materials will only be supported where it has been demonstrated that:

a) the applicant needs new permitted reserves or new capacity is needed to meet demand permitted reserves, the allocated extensions to existing sites listed above or mineral resources from within the area of search would not meet the required level of provision stated in paragraph 1.4; or,

b) the proposals would secure significant material planning benefits that outweigh any material planning objections.

8. Explain the rationale behind the selection of the sites for extensions to sand and gravel sites and the non-selection of others.

1. I am not able to comment on this question.

9. Should land in the immediate locality of existing sites be presented as areas of search?

1. The MPA has no comment to make on this question in this Statement. However, we may wish to participate in the discussion of these points if it proves helpful to the examination.

10. What is the aim of Policy 1.3 and will the Policy as written fulfil that aim?

1. It is for the Council to explain its reasoning in this respect, but we note that all allocations are extensions to existing operations. This may be because no new proposals were put forward, or such new sites were found to be unacceptable. However, bearing in mind my previous pleas to have a policy with the maximum flexibility I believe the policy restriction to ‘extensions only’ is unsound. I recognise that the policy says ‘initially’ but the Plan should not oppose new sites merely because they are new because of the principle of competition. It is clear from national policy that local planning policies cannot be used for anti-competitive purposes to keep out new entrants. There must be a genuine planning reason for preferring extensions or relying on the provision in other mpa’s, and in any case each proposal should be treated on its merits. Paragraph 7 of NPPF describes the economic role of sustainable development as “contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure” So it is right that the planning system does not oppose innovation in an industry especially if it contributes to growth and economic development.
2. The OFT raised concerns about competition between companies in the Aggregates Sector and its report published in 2011 (OFT 1358) said “Barriers to entry: both the aggregates sector and the cement sector feature high barriers to entry in terms of the difficulty of obtaining planning permission and physical capital requirements. Elements of the planning system for aggregates in particular create substantial barriers to entry by favouring incumbents over new entrants.” (MPA emphasis)

3. The project then went to the Competition Commission (CC) for consideration and in its final report it said, “…our analysis of aggregates landbank data indicated that aggregates producers’ shares of permitted reserves in landbanks were in most cases in proportion to their share of supply of aggregates. Further, we saw evidence that the planning system was felt to work well and applications for new primary aggregates sites did not tend to be constrained by landbank considerations.” (para 72, MPA emphasis). In order for the CC to reach this conclusion there would have been evidence that local planning policy was not constraining new sites purely because there was a more than sufficient landbank. In other words, policies should not be formulated unreasonably to deny new entrants access to the market by preferring incumbents. In order for this to be true in Staffordshire as well there will have to be a more flexible application of policy. Otherwise, the Local Plan runs the risk of being seen as anti-competitive.

4. PPG para 27-010 also makes this point in the context of plan making. This says that the suitability of each proposed site, whether an extension to an existing site or a new site, must be considered on its individual merits. Thus we do not believe that it is possible or in accordance with national guidance to have a locational strategy which excludes new sites on principle. It may be that after examination, extensions prove to be superior to opening new sites, but we suggest that this needs to be the subject of detailed assessment.

5. We have therefore proposed new wording in Policy 1 to maintain competitiveness and flexibility.