

Northants Examination In Public

Hearing Statement by the Mineral Products Association

Hearings Tuesday 8th April 2014

Matter 4- PROVISION TO BE MET FOR MINERALS

M1 Does the Plan make provision for a steady and adequate supply of aggregates?

Mineral Products Association Statement

1. We have no objections to the proposals for the provision of crushed rock for the plan period but reserve our remarks in respect of sand and gravel.
2. We are not convinced that there is a steady and adequate supply of mineral as required by NPPF (para 145). The Draft Final LAA suggests that development has been sluggish because of the depressed economy and will only improve slowly (para 5.3). However, NCC's 10 Point Plan¹ published in 2013 states, "*This '10 Point Plan' represents Northamptonshire's strategic plan. We believe it sets out an ambitious and deliverable agenda for growth,*" (Foreword). It is a collaborative strategic plan which has been informed by ambitions and priorities of the Northants Enterprise Partnership (NEP), the LEP, district councils, the Northants Arc Prosperity Plan, etc (Introduction). It says "*Through this plan we want to help create 70,000 new jobs here in Northamptonshire over the next 15 years and provide the infrastructure which could potentially release over 80,000 new homes*" (Introduction).
3. Housing completions have sometimes been used by mpas as a proxy for sand and gravel demand (recent e.g. Staffs LAA, Lincs LAA). The MPA is not sure that this can be used as a reliable indicator of demand but it is better than nothing. Indeed, much work still needs to be done in our view to improve the economic forecasting performance of LAAs. Background documents for the two Joint Planning Units in the county (West Northants and North Northants) appear to show that housing completions over the last 10 years have been 16,358 and 16,440 respectively². This is a little under 3,000 units per year. The 10 Point Plan's ambitions are for an average completion rate of 5,300 per year or a 77% increase over past rates over the last 10

¹ Northamptonshire's 10 Point Plan, March 2013

² West Northamptonshire Strategic Housing Land Availability Assessment Final Report: January 2012 Executive Summary & North Northamptonshire Annual Monitoring Report, January 2013.

years. These documents also mention that North Northamptonshire has 5 Sustainable Urban Extensions (SUE's) and West Northamptonshire has 11 SUE's.

4. Under the heading 'Growth offer' the 10 Point Plan is optimistic, *"Northamptonshire's economy is already growing fast. It contributes over £14bn to the national economy; on a par with its neighbours Cambridgeshire and Oxfordshire. Current projections indicate that its contribution will rise to £20bn by 2020, but we are ambitious and we want to exceed this target ... and more importantly we can."* (The Growth Offer 04). It also talks about a 'kick start' to housing with a plan to provide a £100 Million plus Revolving Infrastructure Fund to *"...unlock major developments creating new homes and jobs through upfront funding of major infrastructure."* The first three schemes under the initiative *"...will initially unlock 10,000 homes and 15,000 jobs, with a potential £4bn return to the national economy. Separate work is being advanced to agree and fund the infrastructure need to release the Kettering East development which could contribute a further £1.2bn to the economy."* (10 Point Plan 1 – Housing Growth)
5. These ambitious aspirations do not seem to be reflected in the Draft LAA whose approach is pessimistic about future growth. It would seem that the combined aspiration to allow a 77% increase in housing completion potential together with its associated infrastructure should have an impact on aggregates demand. However, translating that conclusion into a figure for aggregates demand is not a straightforward exercise.
6. The Draft Plan proposes to cancel out references to Northamptonshire's growth prospects and suggests it is unreasonable for the county to bear the burden of supplying all of its own growth related aggregate needs (para 4.5 & 4.6).
7. Clearly, a conclusion about whether the Plan makes for a steady and adequate supply of aggregate will depend on the apportionment chosen, which is the subject of debate for the next question. The plan does not propose to change the planned provision so on paper it could be argued that sufficient material has been identified if demand increases. However, we would argue that there are several reasons why that assumption may not prove valid.
8. In order to look at the availability of future material I would like to state the industry's views on why sales have collapsed in the county and why that cannot necessarily be taken to indicate future demand. A survey of our members shows that they are importing quantities of material to operations in the county even though they hold mineral reserves in Northants. New sites with

planning permission are not being set up because of the state of the market (low demand; low prices) and the difficulty in accessing capital to develop sites. Mineral is being imported from Cambridgeshire, Leicestershire, Lincolnshire, Shropshire and Staffordshire to serve ready mix plants and coating plants. At present it is cheaper to do this than to set up local production.

9. In the case of the outstanding consent at Earls Barton it was, I understand, the operator's preference to work this together with the Bozeat deposit and blend the two sources in order to supplement the rather poor quality of the glacial Bozeat mineral. The recession meant that did not happen and Bozeat has been worked with the imports I previously mentioned instead. This means that when Bozeat is exhausted shortly, and assuming the demand justifies the capital outlay, full production will take place at Earls Barton and imports should end or at least decline substantially.
10. A similar situation will arise when Earls Barton Spinney becomes fully operational. Local production will replace imports currently used in the operator's plants in Corby and Kettering. However, it is a small site (1.1 Mt) which is a marginal size for stand alone sand and gravel operations.
11. One other aspect of the situation in the county that our members mention is the preponderance of sites promoted by landowners with no direct industry involvement, and some that have been kicking around for many years. Dodford is a dirty glacial deposit with water issues and has been around for 20 years to my knowledge. Milton Malsor has industry interest but has also been around since the 1980's. Although it is a good deposit, it has access issues across a railway line which the operator has found challenging. The Bozeat extension is landowner promoted which has no geological data and which is suspected of having a thick overburden. The Heyford deposit is being promoted by Bidwells for the landowner. Earls Barton West extension is owned by Anglian Water and is also a site which has been known about for many years. The operator at Earls Barton has consent for 2.4 Mt so this site is not likely to come on stream for some time. The combination of sites which have been offered for many years, sites with existing unresolved problems and sites promoted only by the landowner is an almost unique situation and reflects in our view how planning policy has developed in the county over the last twenty years.
12. In the 1990's planning policy was changed to promote working in glacial deposits against strong industry opposition (I attended the MLP inquiry at the time to give evidence) which has not borne fruit in the way it was hoped. The deposits are highly variable and unpredictable, dirty

with no ready access to processing water. Many schemes depended on landfill to make them pay which fell foul of changing waste policy. Even those schemes that did succeed were not painless. One of our members describes the Bozeat appeal as being ‘physically intimidating and unpleasant’. As a result the county lost processing capacity, and industry confidence. We know from experience that once productive capacity is lost it is very hard to get it back. What sites that did become available had unresolved problems that delayed them coming forward.

13. Since 2009 policy has reverted back to consideration of river valleys once again (but not exclusively), and there continue to be issues which trouble the industry. We believe that the policy requirement not to have open water restoration is an active disincentive to the establishment of river valley sites bearing in mind the deficit of inert fill available and the quantity of existing available voidspace. Whilst the industry can produce innovative designs to create wetland habitat the creation of open water is unavoidable if fill material is not available.

14. Consequently, as productive capacity was lost and the industry found it difficult to establish new sites, new production patterns emerged. Companies began to import material to Northamptonshire. The county is a growth area and the market is attractive to the industry. However, with loss of capacity comes a disincentive in developing new capacity, especially if the planning climate appears to be against it. Thus a 2007 BGS report observed that the landbank had been lower than four years for fifteen years³, and the LAA’s admission that, *“Historically in Northamptonshire relatively few allocated sites have come forward for development. In the Northamptonshire Minerals Local Plan (now superseded by the MWDF) for example, only four of the twelve allocated sand and gravel sites became committed sites. Currently none (of the seven sites) allocated for sand and gravel extraction in the MWDF are commitments.”* (para 5.8). The reason isn’t as the LAA asserts, because there are better deposits elsewhere; it is because of the extant planning policy and loss of capacity that bedevils the county. The 2007 BGS report⁴ calculated that there was 220 Mt of resources with a overburden/mineral ratio of 1:1 in the Nene river valley, so shortage of mineral resource does not appear to be a problem.

15. What the industry would like to see is a proactive support for new capacity. Several sites for standalone operations need to be made available that are a minimum 2Mt reserve (for a

³ supply and demand for sustainable communities: a practical approach to problem - solving The Milton Keynes and South Midlands Growth Zone — a case study, page 4

⁴ Aggregate supply and demand for sustainable communities: a practical approach to problem - solving The Milton Keynes and South Midlands Growth Zone — a case study, Table 1

200ktpa output), with confidence that extensions will be forthcoming in due time. As far as we can see, the existing list of allocated sites does not fit this bill. Of the seven sites allocated, three are extensions, whilst one is a replacement for an exhausted operation (Milton Malsor), two others are very small and one (Dodford) has significant problems in delivery. I shall deal with our suggestions to changes to the Plan in the next question.

16. However, the MPA is not convinced that there will be a steady and adequate supply of mineral to meet the county's needs. The Minerals & Waste Local Plan seems to be at odds with the optimistic promotion of the county in the 10 Point Plan and substantially underprovides; the constraints on establishing mineral workings seem overwhelming and the allocations do not appear to be fit for purpose. Unless, the climate changes and new capacity is established we cannot see that there will be any change to the county's dependence on (under-declared) sand and gravel imports.

M2 Is the quantity of aggregate identified to be supplied during the Plan period the most appropriate, taking into account sales data and all other relevant information, including economic forecasts and the planned development in the county and adjoining areas in the Plan period, and the contribution that may be made by secondary and recycled aggregate?

Mineral Products Association Statement

1. The MPA was critical of the LAA, to which the County Council has recently responded in a private letter. For the purposes of clarification, I wish to make clear what the MPA's stance is.
2. For the avoidance of doubt: the MPA position is that we support the 10 year average approach as the starting point for LAAs. That is what is advocated by the NPPF and indeed it was first put forward by MPA and supported for inclusion in the NPPF. The only circumstances in which we support anything other than the 10 year average is when there are specific circumstances which indicate that for example;
 - There has been a significant change in demand in or from the area in question during the previous 10 years,
 - There will be a significant change in demand in or from the area in question compared with the previous 10 years,
 - Resource information suggests that past rates of working cannot continue into the future,
 - There are capacity issues that are not the result of lack of resources.

3. LAAs should be a justifiable estimate of what future supply might need to be, and this needs to be backed by an economic forecast of demand which we have criticised many LAAs for not trying hard enough to achieve. NPPF says that mpas should consult with the AWP cluster in which it sits. There is no requirement for the AWP to agree the LAA but its view becomes a material view at Examination. We consider that the AWP should not just report a majority view if it is not unanimous but rather reflect all the views in its response. This is because there is no system of majority voting in AWP's. Clearly, it is beneficial if all parties can agree, but where they cannot, in our view dissenting opinions need to be reported as well. We also consider the current lack of a formal inter-AWP dialogue to be a weakness of the new system and that more needs to be done to resolve cross border issues.
4. Consequently, we think there is an element of underreporting for imports to the county for sand and gravel that needs to be addressed, which the industry needs to identify in its survey returns in the first instance. As a corollary, as we have indicated in the previous question, we think the lack of capacity and the difficulty in developing sites is the reason why production has slumped and is not indicative of true demand.
5. Since the locational strategy was only changed in 2009, following which there has only been one consent (Lilford Lodge) coupled with the deepest recession seen in this country since the Second World War, our view is that the policy needs to be given a chance to work. Given the circumstances the Plan should be more proactive and show that it has been positively prepared. If the apportionments are reduced to a bear 10 year average, it will merely institutionalise the loss of capacity and the difficulty in developing sites and not address the demand for minerals to meet ambitious growth targets.
6. Given the information at the MPA's disposal we can see that sales of sand and gravel are likely to increase independently of an increased demand, which would come on top. This would be because Passenham quarry is likely to move production into the county when reserves in Milton Keynes become exhausted, thereby increasing exports; Earls Barton will be developed in a few years which will simultaneously increase sales and depress imports. Earls Barton Spinney would also increase sales and decrease imports when it is operational. Whether this will increase sales above the 10 year average remains to be seen.
7. We do not believe the plan demonstrates that it has been positively prepared and has met the requirements of national policy in that it has apparently failed to take account of economic

forecasts of demand, it is too relaxed about relying on imports for sand and gravel, and its locational strategy is not conducive to increases in productive capacity.

8. We should like to see some changes to the plan, not so much in terms of detailed wording, but to its overall 'feel'. It could for example, do the following,
 - Forecast for a much higher apportionment which reflects the intended increase in housing completions and development of infrastructure. This would depend on an economic forecast but if the overall increase in housing completions is used as a guide, then this could see the 10 year average increase by 77%.
 - Drop the locational requirement for glacial sites; where they can be developed they should be supported but more should come from the river valleys.
 - Drop the prejudice against open water restoration as a policy requirement, but instead look at the potential on a site by site basis.
 - Give positive consideration to schemes that can demonstrate local production will directly replace sand and gravel imports.
 - Reconsider the list of allocations to evaluate whether they are ever to likely come on stream given how long some of them have been proposed for.
 - Invite the industry to look for further sites under a much less restrictive planning climate.

9. It is difficult to address some of the issues as changes that the industry consider necessary to increase capacity. For example, this would include providing the confidence necessary for the industry to go out and find large sites with future extension potential. Ideally, the county should aim to have four or five such operations at 200ktpa or above in order to preserve its capacity to meet aggregate needs into the future.

M3 Does the Plan make appropriate provision for the production of aggregate from secondary and recycled sources?

1. No comment.