

GWYNEDD COUNCIL CABINET



Meeting Date: 21 April 2020
Cabinet Member: Councillor Gareth Griffith
Contact Officer: Gareth Jones, Assistant Head of Environment Department
Contact Number: 34092
Item Title: Regional Technical Statement on Aggregates, Second Review Draft

Report to the Cabinet

1. DECISION SOUGHT

- 1.1 To endorse the Regional Technical Statement on Aggregates, Second Review in Appendix 1 to this Report.
- 1.2 Subject to 1.1 above, to authorise the Assistant Head of Environment Department to submit confirmation of the Cabinet's endorsement to Welsh Government.

2. REASON WHY DECISION IS NEEDED

- 2.1 Planning Policy Wales & the Minerals Technical Advice Note MTAN 1 (Aggregates), requires the preparation of Regional Technical Statements (RTS) for both the North and South Wales regions to provide a strategy for the future supply of construction aggregates.
- 2.2. The original RTS documents for both regions were approved by The Welsh Government in 2008 and are required by MTAN 1 to be reviewed every five years. The First Review was undertaken and approved in 2013/2014 and this, the Second Review, commenced in 2018. The second review of the RTS requires endorsement by all of the respective Councils that make up the North Wales region, to allow it to be published and used for preparation of minerals aggregate policy within local development plans and reviews or the preparation of supplementary planning guidance as appropriate.
- 2.3 The Gwynedd and Anglesey Joint Local Development Plan was adopted in July 2017, with the First Review of the RTS (2013/14) informing the minerals and aggregates policies of the plan.

3. INTRODUCTION

- 3.1 Aggregates are used in large volumes and are vital to the construction industry for infrastructure projects such as roads, schools, housing and other buildings. They include sand & gravel, crushed rock, slate and other recycled materials. The varied geology of North Wales means that there are large resources of aggregates materials which have been quarried for centuries but in addition, there is a developing market for secondary

aggregates produced from demolition works, the manufacture of roofing slate and the working of slate waste tips.

- 3.2 The RTS takes account of the latest available information regarding the balance of supply and demand to ensure that an adequate and steady supply of aggregates can be maintained throughout Wales (*and beyond, in the case of materials that are exported*), in accordance with the key objectives of sustainable supply outlined in MTAN 1. The RTS provides specific recommendations to Local Planning Authorities regarding the quantities of aggregate which need to be supplied from each area (apportionments) and the nature and size of any allocations which may need to be made in any Local Development Plan (LDP) to ensure that adequate provision is maintained throughout the relevant Plan Period. This is to ensure that an adequate supply of minerals necessary for the construction industry is maintained which in turn, gives greater certainty that future demands for housing, employment and infrastructure development can be fulfilled to promote economic growth.
- 3.3 Whereas MTAN1 develops the national policy set out originally in Minerals Planning Policy Wales (*now part of Planning Policy Wales – PPW 10*), the RTS provides the supporting detail which allows this to be implemented.
- 3.4 The main document of the Second Review of the RTS in Appendix 1 of this report is supported by a detailed Appendix 'A' which provides additional explanation, specific to the North Wales Regional Aggregate Working Party (RAWP) Region, relating to the consideration of existing supply patterns, the detailed breakdown of sub-regional apportionments and requirements for new allocations. This Appendix incorporates that information into specific recommendations and guidance for each individual Local Planning Authority (LPA).

4. REASON AND JUSTIFICATION BEHIND THE DECISION

- 4.1 North Wales has extensive deposits of a variety of materials suitable for aggregates, particularly igneous rock and limestone. They are to be found in most areas of the region. Deposits of sand and gravel are more limited and are mainly located in parts of Gwynedd, Flintshire and in particular, Wrexham.
- 4.2 It is essential to maintain an adequate supply of such minerals to ensure that these materials are sourced in a sustainable manner. Where required, the planning system must make provision to ensure supply in the form of allocations, which can be site specific allocations, preferred areas, or areas of search, within local development plans to enable applications for new reserves of aggregates to come forward to satisfy demand. The 5 yearly review enables the level of permitted reserves and trends to be analysed, and sets out projections for future demand.
- 4.3 It is a requirement, where possible, for local development plans to make provision to ensure a minimum land-bank of 7 years sand & gravel and 10 years crushed rock aggregates for the duration of the plan period. This means that on the final date of any given local development plan, this minimum requirement will remain and when added to the duration of a local development plan of 15 years it should make provision for 22 years sand & gravel and 25 years crushed rock aggregate. In the context of the Gwynedd Local Planning Authority area, the Gwynedd and Anglesey Joint Local Development Plan covers the periods from 2011 to 2026.

- 4.4. In previous RTS documents, the predictions for future demand for aggregates have been based on an average of the previous 3 and 10 years sales tonnage and the resulting apportionments are derived from land-banks which were calculated by dividing the permitted reserves (minerals reserves that have extant planning permission) by the average sales tonnage. However, such a methodology is not always reliable, as economic conditions, construction practice, housing growth, and infrastructure projects uptake are subject to change.
- 4.5 A new approach is being taken for the prediction of future demand in the Second Review RTS, which is based on housing growth and completions within development plans. There is a very close correlation between housing completions and demand for construction aggregates, and this may be used as a proxy to indicate total aggregates demand. It is accepted that demand for construction aggregates is not restricted to housing, which is modest at around 30 % of total aggregates consumption, but it is the wider demand for the infrastructure indicated by housing growth, (*new roads, commercial and business development, schools, hospitals, power plants, maintenance works*) which accounts for the total demand for aggregates.
- 4.6 The logic therefore is that any given Local Development Plan (LDP) should make sufficient provision for aggregates to enable the construction industry to have security of supply and access to raw materials to meet these housing growth objectives, and by proxy, the wider growth which creates a demand for aggregates.
- 4.7 Since the first Review RTS was published, the overall level of permitted aggregates reserves in North Wales has diminished. In Gwynedd, approximately 600,000 tonnes of sand and gravel was granted planning permission in Llecheiddior Uchaf, Bryncir, 380,000 tonnes of sand and gravel from an extension to Cefn Graianog, Llanllyfni and 320,000 tonnes of sand and gravel released via a determination of new conditions for the Cae Efa Lwyd Review of Minerals Permissions ROMP site in Penygroes.
- 4.8 The apportionment for crushed rock aggregates following the Second Review RTS, in the context of the Gwynedd Local Planning Authority has been calculated to at 23.867 million tonnes and the sand and gravel apportionment at 3,834 million tonnes. The permitted reserves of crushed rock aggregate of 28.54 million tonnes are sufficient as not to require a new allocation. However, the reserves of sand and gravel are currently 1.175 million tonnes and are insufficient to provide the full 7 years landbank at the end of the plan period. The minimum allocation required to meet this shortfall is 2.659 million tonnes to meet the 0.174 million tonnes per annum sand and gravel annual apportionment.
- 4.9 With respect to the requirements of the Joint Local Development Plan (JLDP), Policy MWYN 2 designates preferred areas for sand and gravel in Gwynedd, which are the most commercially viable resources identified in the National Assembly for Wales commissioned report, The Sand and Gravel Resources of North Wales produced by the University of Liverpool and Enviro in 2003. However, the preferred areas identified in the (JLDP) are in excess of 21 million tonnes and provide the potential for the release of new reserves which are far greater than the recommended minimum allocation of 2.659 million tonnes in the Second Review of the RTS in order to allow for uncertainties involved, to provide choice to the minerals industry and to encourage local supply to minimise transport distances.

- 4.10 Therefore there appears to be no immediate need to change the local development plan requirements with respect to the identification of sand and gravel allocations, given the potential of reserves that could be provided from preferred areas identified in the LDP. However, whilst the preferred areas identified in the JLDP maintain sufficient provision for future supplies of sand and gravel, the revised RTS will be a material consideration in the first review of the JLDP in 2021, should the authority decide to include mineral allocations in a statutory 'call for sites' consultation.
- 4.11 In addition, the RTS has identified sub-regions based on a broad assessment of the market area, distribution and mineral types with Conwy, Gwynedd, Anglesey and Snowdonia National Park grouped together as the North West Wales sub-region. If Gwynedd Council is unable to provide a new allocation for sand and gravel, it would look to neighbouring authorities within the sub-region to assist in making such a provision. However, none of the other authorities have a significant sand and gravel resources which are economically viable or free from planning constraints.
- 4.12 The situation may be different for crushed rock aggregate, and although Gwynedd has sufficient reserves of crushed rock, there is a question about the quality of materials available and therefore their end use. A significant proportion of the permitted reserves in Gwynedd are secondary slate "waste" materials which are freshly dug or extracted from active slate "waste" stockpiles and treated as being a primary aggregate for the purposes of the RTS, as they are able to substitute as crushed rock aggregates. In respect of slate as a source of aggregate, the RTS review states; *"In North Wales, crushed slate, derived either from slate waste (as a by-product of roofing material production) or quarried specifically for use as primary aggregate, features significantly in the overall pattern of supply, especially in Gwynedd. In consideration of regional requirements, the RTS confirms that; "most slate aggregate is used locally within north west Wales and there is little to suggest that the existing pattern of supply either needs to change or is capable of doing so"..... "*. With the introduction of the aggregates levy in 2002, there has been an increased use of slate waste to substitute primary hard rock reserves.
- 4.13 However, crushed slate may not be suitable for all categories of aggregate use where demanding physical quality characteristics are required, such as high end concrete or skid resistance material for road surfacing. It is possible that if demand for crushed rock with higher quality exceeds anticipated demand, new crushed rock reserves may need to be secured in the sub-region, and it is possible that a Statement of Common Ground or Statement of Sub-Regional Collaboration between the JLDP authorities of Gwynedd & Anglesey in collaboration with Conwy would be required if such a scenario were to arise. Minerals can only be worked where they occur and Gwynedd may nevertheless consider new applications for crushed rock aggregates in the context of a wider sub-regional or regional market and should assess that a need arises for new reserves to be permitted in accordance with criteria-based policies where there is a shortfall of higher quality crushed rock reserves.

5. NEXT STEPS & TIMETABLE

- 5.1 The Welsh Government requires all local authorities to endorse the RTS before it is approved by the Welsh Government, at which point the RTS will have material weight, and its recommendations should be incorporated into local development plans.
- 5.2 It is anticipated that the RTS will be endorsed by all of the Welsh Authorities together with obtaining Ministerial approval by summer 2020.

5.3 In the case of Gwynedd, the Joint LDP (Gwynedd and Isle of Anglesey) was adopted in July 2017, and the first Annual Monitoring Report covering the period up to 31st March 2019 has been published. The timetable for the RTS and the Joint LDP means that the recommendations of the RTS are unlikely to be fully considered and incorporated until the first review of the Joint LDP takes place in 2021.

6. ANY CONSULTATIONS UNDERTAKEN PRIOR TO MAKING THE DECISION

6.1 The RTS has been distributed to key stakeholders including the constituent Local Authorities, the Aggregates Industry and Environmental Organisations such as Natural Resources Wales during the eight-week consultation period which commenced in October 2019 and ended in November 2019. Gwynedd is a consultee to the RTS Process and no objections have been received in response to publicity on the authority's web page or the consultation event held in Llandudno Junction on the 15th November.

6.2 Cuesta Consultants have produced a consultation report on behalf of Welsh Government and the Regional Aggregates Working Parties (Appendix 2) which summarises the comments to specific questions on the RTS Main Document and respective technical appendices for the North and South Wales regions including; the purpose of the RTS, key principles and approaches, methodology for the 2nd review, analysis of the existing supply pattern, assessment of apportionments and allocations, the consultation process and any points arising from the respective North and South Wales appendices. A total of 23 consultation responses were received and the key issues raised are summarised as follows;

Housing Figures

6.3 Despite reservations by some Local Authorities concerning the use of housing figures in the RTS, the steering group concluded that the use of these figures provided the best available source data to draft a robust and consistent methodology to guide future aggregate apportionments and the use thereof do not amount to the rolling forward of housing policies beyond any respective LDP end date (see paragraph 4.5 of this report).

6.4 In future Reviews of the RTS, there may well be some logic in linking future aggregates provision to housing requirements in the adopted version of the National Development Framework. In respect of sub-regional apportionment in Stage 3 of the RTS, the methodology should be amended to take account of actual housing completions (over the baseline period) as well as future requirements to reflect the changing pattern of supply.

Definition of Sub-Regions

6.5 Whilst there may be issues concerning the definition of sub-regions in South East Wales to promote a fairer and more sustainable pattern of supply, the situation for Gwynedd and the North West Wales sub-region remains largely unchanged with the exception of the inclusion of Conwy for the purposes of addressing sub-regional apportionment and any future requirement to draft a statement of sub-regional collaboration (see paragraph 4.11 of this report).

Apportionments to LPAs or sub-regions

6.6 Until the requirements set out in MTAN 1 are changed, apportionments must be made to individual LPAs. However, where the recommended apportionments for individual LPAs cannot be met, Statements of Sub-regional Collaboration as suggested in this report could be used to develop alternative (more achievable and more sustainable) ways of meeting the overall apportionment figure for that sub-region.

Statements of Sub-Regional Collaboration (SSRCs) / Statements of Common Ground

- 6.7 Statements of Common Ground or Statements of Sub-Regional Collaboration, (SSRC), have been addressed in paragraph 4.13 of this report in order to develop alternative (more achievable and more sustainable) ways of meeting the overall apportionment figure for that sub-region. SSRCs appear to have been generally well-received, with no objections other than a commonly cited need for clearer explanation regarding the mechanisms involved (including timescale for implementation and dealing with staggered timescales of component LDPs).
- 6.8 The current situation concerning Welsh Government guidance on SSRCs is that unless complete agreement can be reached with the industry regarding certain details of the SSRC process, the guidelines on that process may need to be issued separately by Welsh Government, rather than being included within the RTS itself.

Sales Data

- 6.9 The RTS uses the highest of 3-year and 10-year sales averages, up to 2016. In response to concerns about over-provision and the use of more up to date 2018 data, the Steering Group confirmed that over-provision is not generally something to worry about (it does not result in over-supply, but it guards against the much more serious risk of under-provision). Secondly, whilst the use of more recent sales data may now be possible, this would necessitate a complete reworking of all the figures and corresponding text, requiring significant extra work and delaying publication of the RTS. It was therefore agreed that the sales data should remain unchanged.

Other Matters

- 6.10 General comments on the review process, the requirements of contemporary planning legislation/guidance or issues specific to the respective North and South Wales regions do not raise any significant issues on the RTS adoption process.

Matters Arising from the RTS Consultation Process

- 6.11 As far as Gwynedd is concerned, there is little arising from the RTS review consultation that changes the aggregate supply situation locally or in the sub-region. No major objections or comments were received in response to consultation and the main issue arising from the RTS 2nd review is to address local and sub-regional apportionment requirements for the South Wales authorities. Statements of sub-regional collaboration will need to be agreed with the constituent authorities of North West Wales in accordance with the Welsh Government guidelines but the situation concerning aggregates supply in the RTS 2nd Review does not identify any significant changes to the Gwynedd and Anglesey Local Development Plan.

Appendices

- Appendix 1: Regional Technical Statement on Aggregates, Second Review
- Appendix 2: Regional Technical Statement Consultation Report

OPINION OF THE STATUTORY OFFICERS

Chief Finance Officer:

The author has confirmed that there are unlikely to be any additional financial implications for the Council in approving this document. That is, no implications beyond the costs associated with the carrying out a review of the Local Development Plan in 2021 (which is a statutory requirement). I understand that the review of the Plan will need to look at the sections relevant to aggregates, and incorporate elements of the statement that apply to Gwynedd.

Monitoring Officer

The report provides comprehensive information about the process followed to reach this point. Detailed information is provided about the consultation process and how the responses have been treated which will allow the Cabinet to come to an appropriate conclusion. No further observations to add in relation to propriety.