SOUTH EAST ENGLAND REGIONAL ASSEMBLY
PLENARY MEETING

Date: 5 March 2008

Subject: **Review of Sub-Regional Apportionment of Primary Land-Won Aggregates**

Report of: Planning Manager

Recommendations:

It is recommended that the Assembly:

1. Notes the methodology used to generate options for the sub-regional (Minerals Planning Authority area) apportionment of primary land-won aggregates.

2. Agrees that this provides a robust, rounded and forward looking approach to apportionment of primary land-won aggregates.

3. Agrees the following options for sub-regional apportionment of aggregates for public consultation:

   - Option C - 'Demand' led
   - Option D - 'Environmental' and
   - Option E - 'Demand and Resource'

   with the current apportionment (Policy M3 of RPG9) included as an option against which these alternatives can be compared.

4. Notes and agrees the arrangements for consultation.

Purpose of Report:

To describe the rationale and methodology developed for undertaking a review of the sub-regional apportionment of primary land-won aggregates (sand, gravel and crushed rock), and to recommend a small number of options this has generated to go forward for public consultation.

1. Background

1.1 Policy M3 of the South East Plan and RPG9 sets out the tonnage of land-won sand, gravel and crushed rock that each Minerals Planning Authority (MPA) will need to provide to meet the regional aggregate supply figure set out in National and Regional Aggregates Guidelines[1].

1.2 The Guidelines set a total aggregate supply for the South East of 570 million tonnes (mt) between 2001 and 2016. This includes 212mt of land-won sand and gravel, and 35mt of crushed rock.

1.3 Policy M3 sets this out as an annual supply of 13.25 million tonnes per annum (mtpa) of sand and gravel and 2.2mtpa of crushed rock apportioned by MPA or groups of MPAs (e.g. unitary councils). The current apportionment is based on average sales from 1995-2001. The apportionment is thus essentially derived from past rates of production rather than an appraisal of future needs and the likely availability of materials, taking into account a more comprehensive analysis of environmental and other constraints.

1.4 The Panel Report on the Examination in Public of the partial review of RPG for Waste and Minerals[2] recommended that a more robust, rounded and forward looking methodology be developed to inform a future review of the apportionment in Policy M3.

1.5 The Assembly undertook a public consultation on a draft project plan and a sustainability appraisal scoping report for this partial review of Policy M3 in Spring 2007[3], and took on board comments received before submitting a final project plan to the Government Office for the South East. The project plan was prepared in accordance with PPS11 and sets out a timescale for undertaking technical work to underpin the review, gaining approval of a consultation draft by Regional Planning Committee and the full Assembly, and public consultation. The sustainability appraisal scoping report was used by the consultants in undertaking the sustainability appraisal of the options.

2. Revised Apportionment - Criteria Selection

2.1 The Assembly commissioned Land Use Consultants (LUC) in March 2007 to develop a revised methodology for the sub regional apportionment of primary land-won aggregates. A Steering Group including representatives of the Assembly, SEERAWP, industry (representatives of the Quarry Products Association), Minerals Planning Authorities, Natural England, the Environment Agency, English Heritage and CLG advised LUC throughout the project.

[1] ODPM, June 2003: National and Regional Guidelines for Aggregate Provision in England, 2001-2016.
[2] RPG9 - Review of Waste and Minerals. Examination in Public Panel Report. December 2004. paragraph 11.3.8 and R11.3
[3] South East England Regional Assembly, February 2007: Partial Review of Draft South East Plan: Revised Apportionment of Primary Land-won Aggregates. Draft Project Plan.

2.2 The revised regional apportionment methodology and presentation of options has now been completed[4]. The methodology incorporates and was informed by a Sustainability Appraisal (SA) and a Habitats Regulations Assessment (HRA) screening exercise. The methodology report sets out a number of options generated by applying different weighting to criteria. These reports are all available from the Assembly's website - http://www.southeast-ra.gov.uk/our_work/planning/sust_nat_res/index.html.

2.3 In developing the methodology an initial set of criteria were considered, taking into account the views received from the consultation on the draft project plan. The key considerations influencing the provision of primary aggregates fell into three categories:

- *Demand* - development pressure, populations/households, past use (sales).
- *Supply* - un-sterilised resource, feasibility of sustainable transport modes, existing contracts and pattern of supply.
- *Constraints* - environmental designations.

2.4 The Steering Group advised that the following data be used:

- *Demand:* Past sales, existing population (ONS data for each Minerals Planning Authority area) and planned housing provision in the draft South East Plan (Policy H1).
- *Supply:* The assessment of un-sterilised resource from the BGS study provides the most reliable indication of where potentially available resources are located. The Steering Group advised that the density of transport links does not provide a satisfactory criterion for sustainable transport as they do not necessarily link supply with demand. However, construction demand (planned future growth) criteria would in theory encourage supplies to be provided in close proximity to demand. Comprehensive data are not available for contracts for aggregate supply, many of which also are only short term.
- *Environmental constraint*: Limited to international and national designations, as local designations could not be consistently applied across the region. It does not include Green Belt as this is not an environmental designation and national[5] and regional policy does not preclude aggregate extraction in Green Belt. Constraints that could be managed satisfactorily through the Minerals Development Framework or at the site level - e.g. flood risk are omitted from criteria. A separate Sustainability Appraisal (SA) that was undertaken alongside the apportionment exercise addresses the wider impacts upon the environment.

[4] Primary Aggregates Sub-regional Apportionment in South East England. Final Report November 2007. Land Use Consultants on behalf of the South East England Regional Assembly. http://www.southeast-ra.gov.uk/our_work/planning/sust_nat_res/agg_review_2007/primary_aggregates_sub-reg_app_in_see-final_report_nov_07.pdf
[5] Planning Policy Guidance note 2: Green belts. January 1995 (amended March 2001).

2.5 The final criteria used were:

1) *Construction demand:* Existing population distribution and housing provision in the draft South East Plan, with a 9:1 ratio for existing development / population (current demand) : future construction demand from housing (the Steering Group and aggregates industry advised on this ratio to reflect approximately 90% of demand being for redevelopment and 10% for completely new build).

2) *Past Sales:* Based on average sales over 5 of the last 7 years using the same methodology as in the current apportionment (the 2 years with highest and lowest sales disregarded to avoid exceptional demand distorting the long-term trend).

3) *Un-sterilised and Unconstrained Resource*: Defined as the area outside built-up areas and international designations (Natura 2000 sites), plus a 250 metre buffer around such sites. Sharp sand and gravel, soft sand, and crushed rock resources were identified separately. The split between sharp sand and gravel and soft sand would be based on average sales over 5 of the last 7 years. It is important to note that the assumption that resources beneath and proximate to Natura 2000 sites are sterilised is a methodological assumption rather than planning policy.

4) *As (3) above plus National Designations*: The area of resource outside of national landscape, nature conservation and heritage designations.

3. Revised Apportionment - Options

3.1 The Steering Group considered which options should be considered for appraisal, applying different weightings to the criteria. Six options A to F were developed, set out below and in Table 1:

- Option A: 'Past Sales' option - weighted 70% on sales and 10% for each of the other criteria.

- Option B: 'Resource' option - weighted 70% on un-sterilised resources outside international designations and 10% on each of the other criteria.

- Option C: 'Demand' option - weighted 70% on the construction demand criterion and 10% on each of the other criteria.

- Option D: 'Environmental' option - weighted 70% on un-sterilised resources outside international and national designations and 10% on each of the other criteria.

- Option E: 'Demand and Resources' option - evenly weighted 50%:50% between demand and resources, but with more emphasis on construction demand than past sales, and on international than national designations.

- Option F: 'Equal Weighting' option - evenly weighted between all four criteria.

Table 1 - Illustration of options for appraisal

Criterion		Option A (Past sales)	RATIO	Option B (Resource)	RATIO	Option C (Demand)	RATIO	Option D (Environmental)	RATIO	Option E (Demand and resource)	RATIO	Option F (equal weighting)	RATIO
Criterion 1: Construction demand	Criterion 1a: Housing projections Criterion 1b: Existing population	10%	1/9	10%	1/9	70%	1/9	10%	1/9	40%	1/9	25%	*Equal weighting for all criteria*
Criterion 2: Past use (sales)		70%		10%		10%		10%		10%		25%	
Criterion 3: Unsterilised resource unconstrained by international designations		10%		70%		10%		10%		40%		25%	
Criterion 4: National designations (Nature, landscape and heritage)		10%		10%		10%		70%		10%		25%	
TOTAL		100%		100%		100%		100%		100%		100%	

3.2 These options can then be applied to give a percentage apportionment to each MPA area for:

- Soft sand.
- Sharp sand and gravel.
- Combined sand (soft and sharp) and gravel.
- Crushed rock.

3.3 The results are presented graphically in Annex 1. Additional work has been undertaken to apply the housing numbers recommended in the Panel report on Examination in Public of the South East Plan to criterion 1a. This results in minor changes to apportionment and is not presented as the proposed changes are still awaited. As the current regional Aggregate Guidelines (supply target) is for combined sand and gravel and for crushed rock, it is not possible to compare the separate revised apportionment options for soft sand and for sharp sand and gravel that have been generated in this review to the current situation. The current apportionment is therefore only included in Figures 1.3 and 1.4 to enable comparison.

3.4 The percentages can be translated into tonnages. Although the regional Aggregate Guidelines supply target is not broken down by components of sand and gravel, it is possible to undertake this exercise based on information of past sales. Soft sand sales represented 24% of total sand and gravel sales between 2000 and 2006, with 76% sharp sand and gravel.

3.5 Applying these percentages to the total sand and gravel supply target for the South East regional total (212mt between 2001-2016) gives the following:

- Soft sand: 24% of 212mt = 51mt. Divided by 16 years = 3.2mt per annum.

- Sharp sand and gravel: 76% of 212mt = 161mt. Divided by 16 = 10.0mt per annum.

3.6 These tonnages can then be applied to the various apportionment options of the component aggregates. Local differences in sales and resource are picked up in the apportionment methodology.

3.7 Opinion varies over the value of separate apportionments for soft sand, sharp sand and gravel (compared to the current apportionment of combined sand and gravel). Separate presentation reflects the distribution of the different types of sand and that soft and sharp sand are different materials with different markets and end uses. However, some MPAs would prefer to have a combined apportionment and to determine the split between soft and sharp sand locally reflecting market and other conditions.

3.8 One further significant issue is that the regional Aggregate Guidelines (apportionment) are currently being reviewed by CLG. There has been a 38% fall in primary aggregate consumption in the South East region between 2001 and 2005. The forecast of total demand for the region 2005-2020 is a decline of over 20% from the 2003 estimate.

3.9 The revision assumes that the contribution from alternatives will rise, and marine sand and gravel supplies will only increase a little, with net imports from outside England significantly less than the current Guidelines. The draft revision proposes that the region should supply 12.2mtpa from land-won sand and gravel for the period 2005-2020 compared with the current figure of 13.25mtpa (a decrease of 8%), and 1.6mtpa of crushed rock compared with the current 2.2mtpa (a decrease of 28%).

3.10 The draft revision will be subject to consultation before finalisation. At present we must continue to work with the published Guideline figures, but must be aware that these are likely to change later this year (during the preparation of the proposed changes to Policy M3) and that it is likely the overall figure that needs to be apportioned will be lower than the current figure.

3.11 It is important to note, and to communicate in the consultation documents, that if an MPA apportionment goes down, applications for working of sites will continue to come forward over time – in other words a reduced apportionment does not necessarily mean that certain sites will not be developed over time.

4. Sustainability Appraisal and Habitat Regulations Assessment

4.1 A Sustainability Appraisal (SA) and Habitats Regulations Assessment (HRA) screening was undertaken by LUC on the 6 options, in consultation with Natural England, the Environment Agency and English Heritage, reporting back to the Steering Group. The SA and HRA reports are available on the Assembly's website[6].

4.2 The Sustainability Appraisal considered the potential effects (both positive and negative) of the options against 13 of the Integrated Regional Framework objectives considered relevant to this topic as identified in the Scoping

[6] http://www.southeast-ra.gov.uk/our_work/planning/sust_nat_res/index.html

Report prepared and consulted on by the Assembly in Spring 2007[7]. These covered proximity and transport, flooding, health and air quality, biodiversity, air quality, landscape, heritage, water quality and resources, employment and tourism.

4.3 The performance of the 6 options (for sand and gravel, and rock separately) was assessed relative to the current apportionment, and by comparing the amount of resource within or close to potentially constrained areas, for example designations or particular land uses.

4.4 The overall conclusion of the appraisal is that there is little to differentiate between the apportionment options with regard to the majority of sustainability issues. The findings show that all options could potentially lead to both significant and minor positive and negative impacts.

4.5 For sand and gravel, options A, E and F could potentially lead to the least number of significant impacts, both negative and positive. Option B could potentially lead to the most significant positive impacts. Options E and F have similar impacts. The MPAs significantly affected by the options (due to change from the current apportionment) are East Sussex, Oxfordshire and Surrey.

4.6 For crushed rock, all apportionment options provide an allocation to Buckinghamshire, Isle of Wight and Milton Keynes that have no current allocation, and so there is potential for impact. Oxfordshire could experience potentially significant effects on biodiversity and also on proximity (and therefore transport) given the change in apportionment (from current) proposed in options B to F. Option A is the only option unlikely to result in any significant impact due to its similarity with the current apportionment.

4.7 It is important to emphasise that the appraisal can only identify potential impacts because at this regional scale no site specific proposals and impacts are capable of being identified. SAs of Minerals Development Frameworks will be able to include assessment of the impacts site specific developments.

4.8 The Habitats Regulations Assessment identified and mapped all internationally important wildlife sites (Natura 2000) in the region which overlap or lie within 2.5km of un-sterilised sand and gravel or crushed rock deposits. This represents a precautionary approach to assessing potential impacts of aggregate extraction on habitats and species. The sensitivity of different habitats to different potential impacts of extraction was then identified and cross referenced with each Natura 2000 site (and the habitats / species for which it is designated).

4.9 The HRA screening identified only seven Natura 2000 sites outside of a 2.5km radius of un-sterilised aggregate deposits and so judged unlikely to be affected by the review of apportionment. 68 Natura 2000 sites lie within 2.5km of un-sterilised aggregate resources and could be potentially vulnerable to extraction. The HRA concluded that it is uncertain whether there is likely to be a significant effect on these sites and the qualifying features resulting from the review.

[7] South East England Regional Assembly (February 2007). Partial Review of the draft South East Plan: Revised Apportionment of Primary Land-won Aggregates. Scoping Report.

4.10 It also concluded that further assessment and screening is not possible given that the apportionment is not site specific. Further assessment will only be possible when MPAs identify sites in preparing Minerals Development Plan Documents (DPDs). HRA of DPDs will be necessary and will indicate whether sites can be allocated to meet sub-regional apportionment without adversely affecting the integrity of Natura 2000 sites.

5. Advice from Steering Group, SEERAWP and Regional Planning Committee

5.1 At its last meeting in September 2007 the Steering Group considered the findings of the SA and HRA screening, and which of the six Options to recommend to SEERAWP. Two of the Options were not recommended:

- Option A - 'Past Sales', which is heavily weighted to existing sales, a criticism of the current apportionment.

- Option B - 'Resource', which is similarly resource weighted to, but better expressed in, Option D - 'Environmental' which includes national designations.

5.2 The Steering Group considered that SEERAWP should be presented with the other four Options C 'Demand', D 'Environmental', E 'Demand and Resource' and F 'Equal Weighting', and be invited to recommend to the Regional Assembly which should be taken forward for public consultation.

5.3 At its meeting of 6 November 2007, SEERAWP considered the apportionment report and the recommendations of the steering group, and recommended that the Assembly take forward options C, D, and E for public consultation. Option F was rejected due to not applying variation in weighting between the criteria.

5.4 The minerals industry representatives on SEERAWP, represented by the Quarry Products Association (QPA) reserved their position to consider further the options and their potential consequences. The QPA does not believe exclusion of any option or the rejection of the current apportionment is justified at this stage. It believes that the current apportionment has been effective in ensuring the supply of materials over many years and is fit for purpose. In addition it believes that all options should be subject to a reality check to assess their practicality and potential impacts. It should be noted that the QPA were influential members of the project steering group and advised on the methodology throughout the study.

5.5 The methodology and the recommendations from SEERAWP were discussed by the Regional Planning Committee at its meeting on 30 January 2008, following a workshop in November 2007. Members agreed that Options C, D, and E should be taken forward for public consultation, presented together with the current apportionment for combined sand and gravel and for crushed rock.

6. Consultation

6.1 The consultation will run from May through July, reflecting the timetable in the Project Plan, with submission of advice to GOSE in December 2008.

6.2 The consultation will be managed by the Assembly and follow a similar process to that used in the past for partial reviews. Hard copies of the consultation document will be provided to consultees and supporting information including the sustainability appraisal and HRA will be available on the Assembly's website. The Assembly will hold a limited number of stakeholder events. Minerals Planning Authorities will be asked to contribute to the consultation through local engagement and publicity, including where appropriate consultation events.

6.3 The consultation documentation will provide an explanation of the methodology in a similar style and format to this report, with the options presented in the form of histograms in the consultation document - as set out in Annex 2 figures 2.1-2.4.

6.4 Consultees will be asked their views, probably through use of a simple questionnaire to enable quantitative analysis, on the following:

- Whether the methodology provides a more robust, rounded and forward looking means of apportioning primary land-won aggregates than the current past sales-only approach?

- A preferred option - this may be one of those illustrated or could be one with different weighting between criteria (the methodology allows adjustments to be made). In addition the preferred option could differ for different types of aggregates (for soft sand, and for sharp sand and gravel).

- The preference for separate apportionment for soft and sharp sand, or combined sand and gravel.

- Additional changes to Policy M3 and supporting text (in light of the apportionment exercise, sustainability appraisal and HRA) to be considered in the partial review.

7. Conclusions and Recommendations

7.1 The methodology has been developed so as to be as transparent as possible. The options that have emerged are therefore easily understandable and justifiable. It provides a robust, rounded and forward looking methodology to generate options for apportionment of primary land-won aggregates.

7.2 The apportionment exercise has been accompanied by sustainability appraisal and Habitats Regulations Assessment screening. The Steering Group and SEERAWP, having considered the reports and appraisals, recommended a small number of options to take forward. These were agreed by RPC.

7.3 It is recommended that the options recommended by SEERAWP and agreed by RPC be taken forward for public consultation. These are:

- Option C - 'Demand'
- Option D - 'Environmental'
- Option E - 'Demand and Resource'

7.4 It is recommended that these options are presented separately for soft sand and for sharp sand and gravel, together with combined sand and gravel and crushed rock. In addition, the current apportionment for combined sand and gravel and for crushed rock should also be included as an option against which these alternatives can be compared. The consultation will follow a similar process to that undertaken by the Assembly for other partial reviews of regional spatial strategy.

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All Apportionment Options, by Aggregate Type

Figure 1.1 - **Soft sand** sub-regional apportionment options

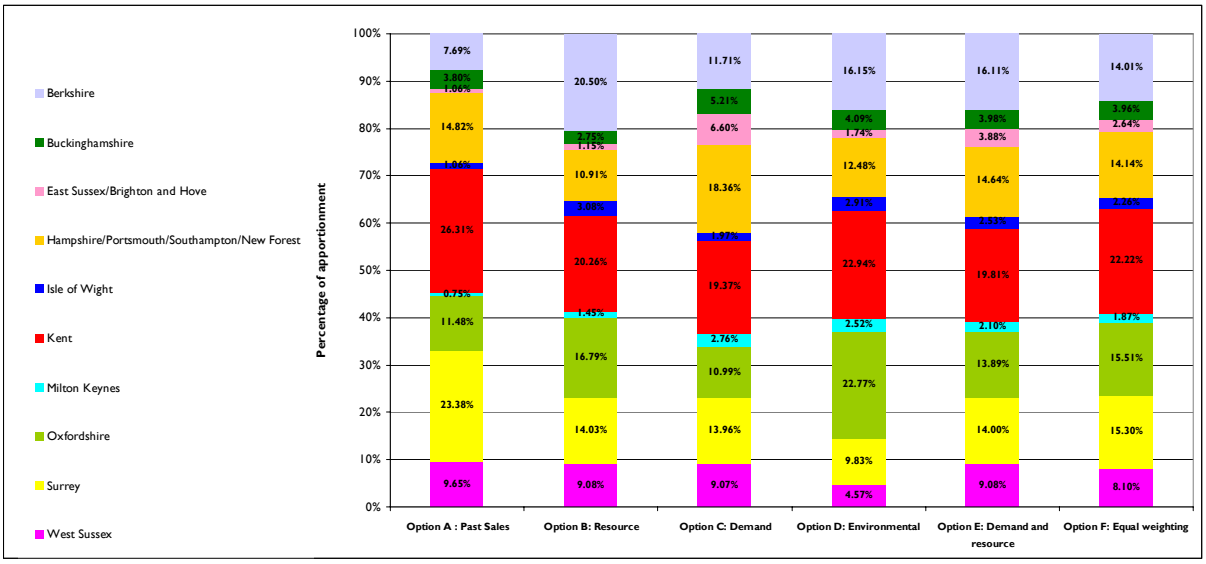


Figure 1.2 - **Sharp sand and gravel** sub-regional apportionment options

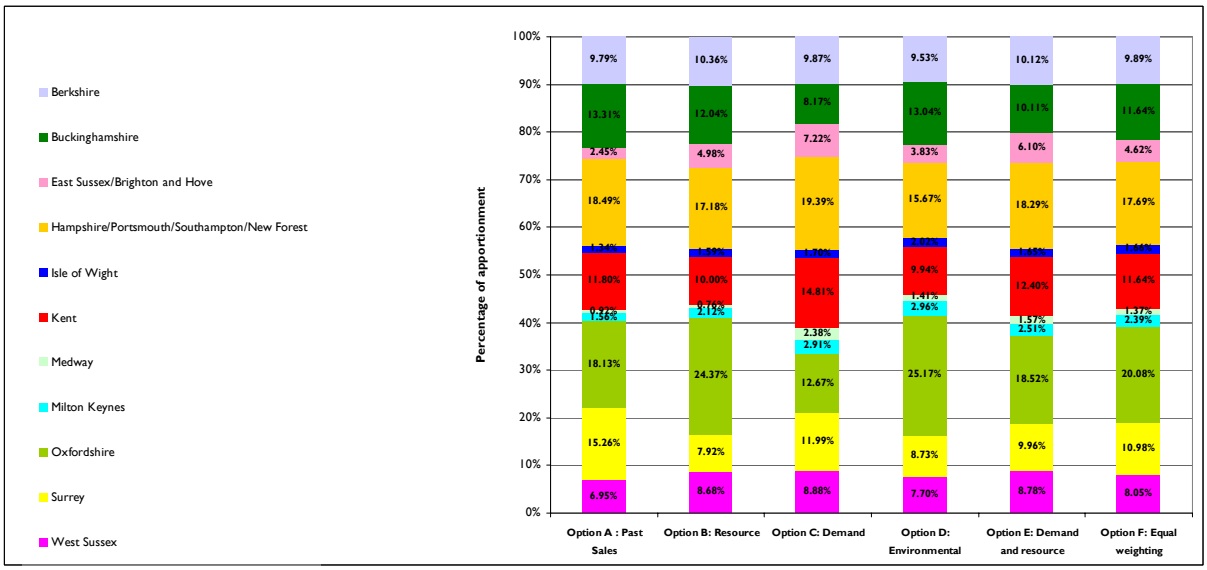


Figure 1.3 - Combined sand and gravel sub-regional apportionment options

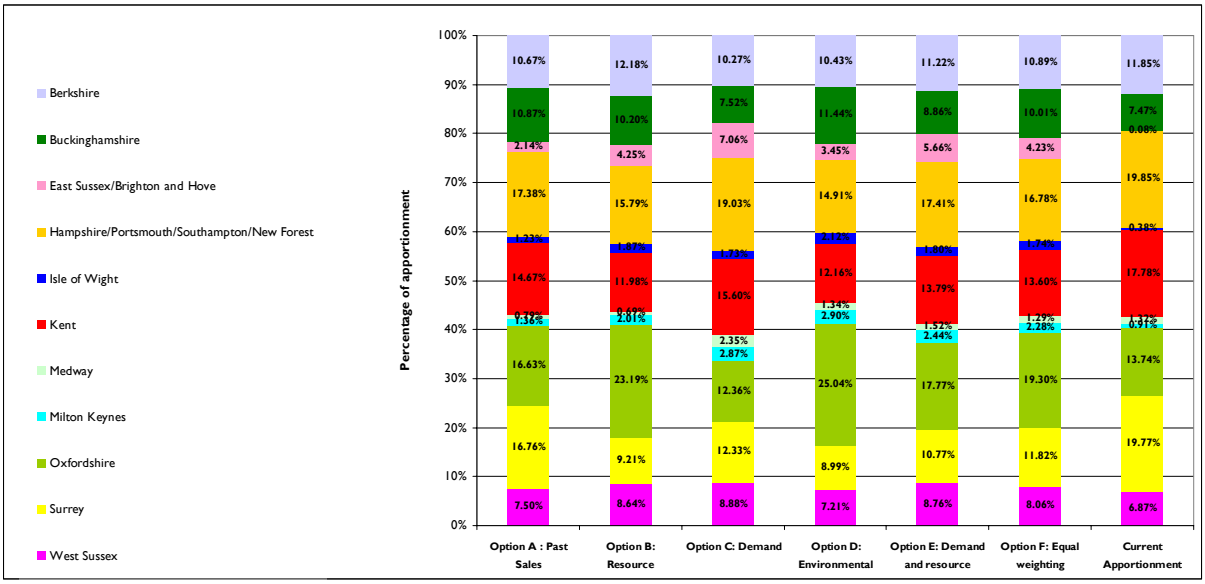
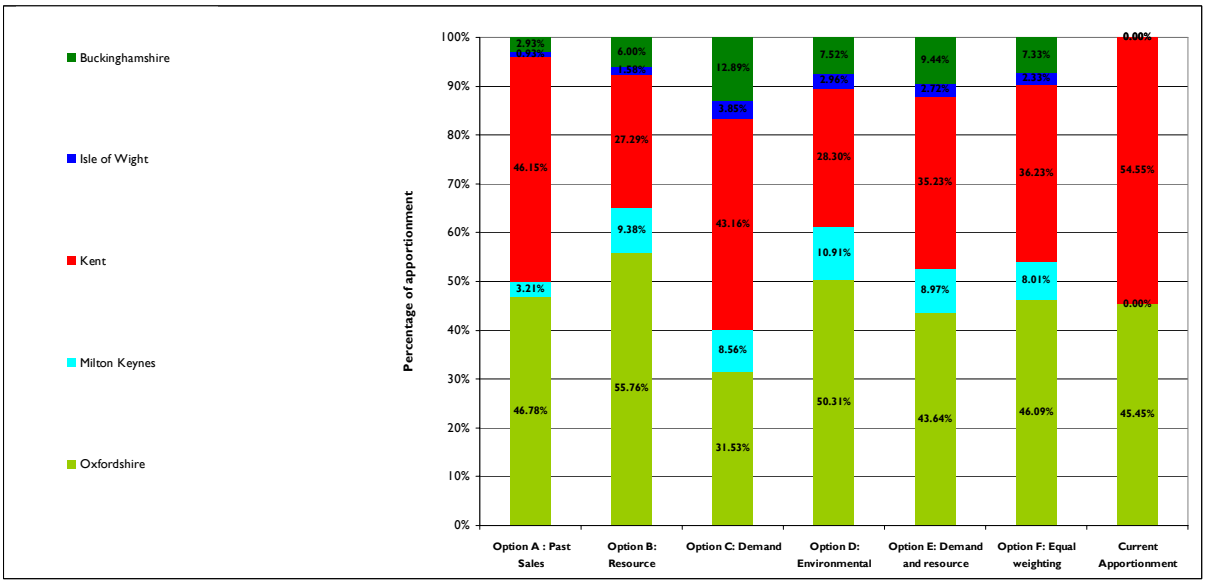


Figure 1.4 - Crushed rock sub-regional apportionment options



Apportionment Options Recommended for Public Consultation (Options C, D and E), by Aggregate Type

Figure 2.1 - Apportionment Options C, D and E - **Soft Sand**

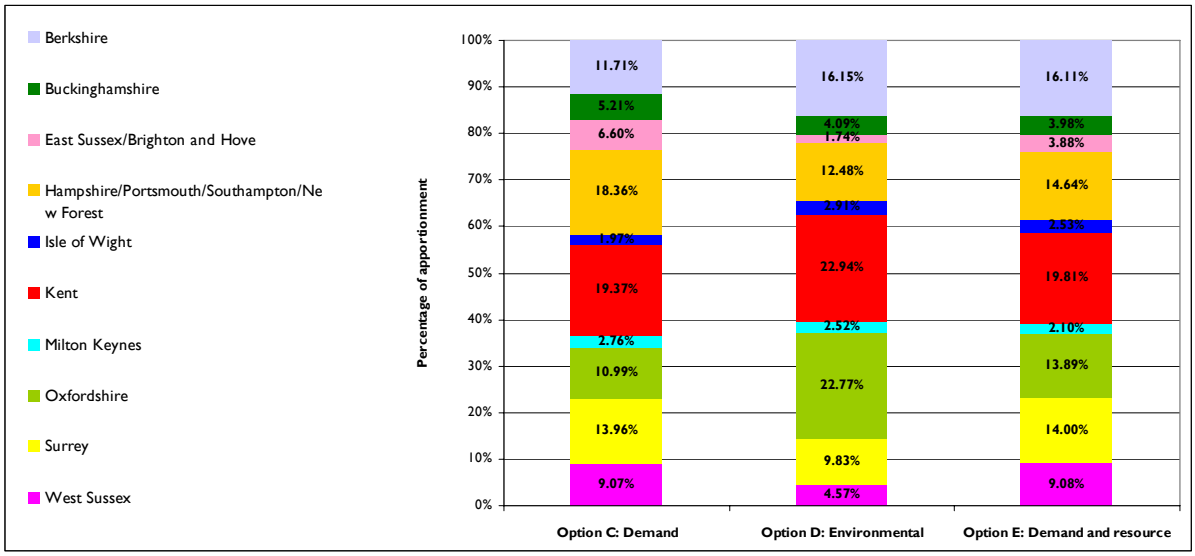


Figure 2.2 - Apportionment Options C, D and E - **Sharp sand and gravel**

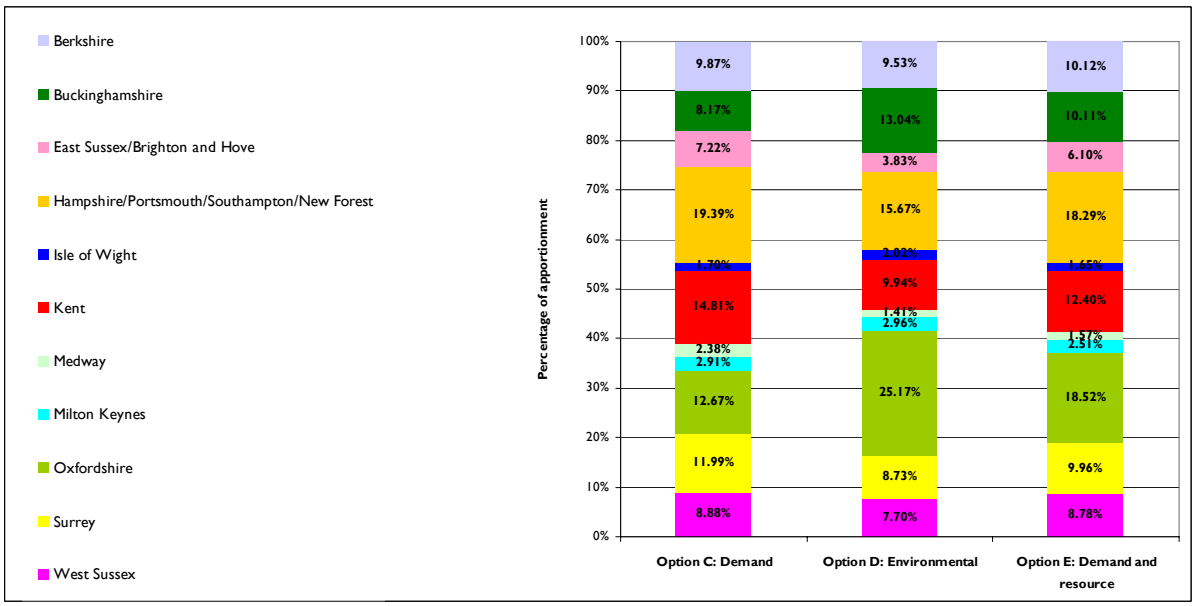


Figure 2.3 - Apportionment Options C, D and E plus current apportionment - **Combined Sand and Gravel**

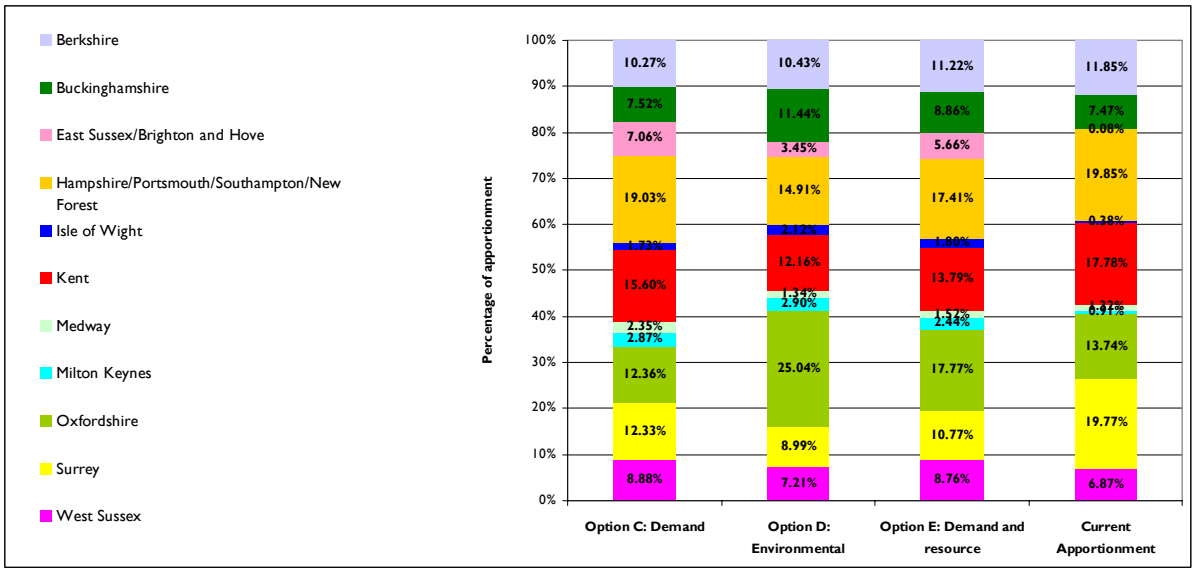


Figure 2.4 - Apportionment Options C, D and E plus current apportionment - **Crushed Rock**