

**Minutes of Meeting of National Aggregates Coordinating Group**  
**11 October 2017**  
**at Conference Hall, Mary Sumner House, 24 Tufton Street, Westminster,**  
**London, SW1P 3RB**

**Attendees:**

Tony Cook (TC)	Chairman and Chair of South East England AWP
Richard Greaves (RG)	Chair of East of England AWP
Andy Hill (AH)	Chair of South West AWP
Lonek Wojtulewicz (LW)	Chair of East Midlands AWP
Adrian Cooper (AC)	Chair of West Midlands AWP
Carolyn Williams (CW)	Chair of North West AWP/ Secretary East Midlands, West Midlands AWP
Vicky Perkin (VP)	Chair of Yorkshire and Humberside AWP
Sue Marsh (SM)	Secretary of East of England AWP
Julia Webberley (JW)	Secretary of South West AWP
Richard Read (RR)	Secretary of South East England /London AWP
Kevin Tipple (KT)	Secretary of North East AWP
Phillipa Lane (PhL)	Secretary of North West/Yorkshire & Humberside AWP
Gary Nancarrow (GN)	Secretary of North Wales RAWP
David Payne (DP)	MPA
Mark Russell (MR)	MPA
Nick Horsley (NH)	MPA
Mark North (MN)	MPA
Paul Hopkins (PH)	Tarmac
Tim Deal (TD)	Tarmac
Peter Huxtable (PHu)	BAA
Trefor Evans (TE)	BAA
Peter Lemon (PLe)	Middleton Aggregates/BAA
Peter Latham (PL)	DCLG
Vicky Engelke (VE)	DCLG
Joanne Smith (JS)	Welsh Government
Joe Mankelow (JM)	BGS
Thomas Uglow (TU)	SEEAWP/LAWP Secretariat

## **1. Agreeing a Chair**

Tony Cook was appointed Chair.

## **2. Welcome/Apologies**

All attendees were welcomed. There has not been a meeting of the National Aggregates Coordinating Group since 30 November 2012.

Apologies received from:

Richard Linton  
Andy Farrow  
Hugh Towns  
Nick Everington (The Crown Estate)

## **3. Notes of Meeting 30 Nov. 2012**

The previous meeting of the NCG was 5 years ago and only 3 of the attendees (Gary Nancarrow, Joanne Smith and Peter Huxtable) had been present at this meeting and were able to agree the minutes. It was noted that in terms of the Actions arising from the meeting of 30 Nov. 2012, DCLG was to consider who else should be invited to attend NCG meetings and also to discuss how to engage the LEPS in the NCG. It is thought that neither of these resolutions was actioned. DCLG was also to revisit the drafting of MASS document, which was subsequently undertaken.

## **4. Terms of Reference (TORs) of National Aggregates Coordinating Group (NCG)**

LW questioned whether Natural England and the Environment Agency, referred to in the TOR, should be invited to attend the NCG. RR stated that it would be difficult to get their attendance as they have funding issues. TC added that there was no one at the NCG from PINS. However, it was noted that at the previous meeting the representative from PINS had said that whilst they were happy to attend, it could only be as a spectator offering specialist advice rather than as a member of the group. It was also suggested that The Crown Estate should be invited in their capacity as the marine mineral owner.

PHu stated that NCG also used to get attendance from other government departments such as the Treasury or those who deal with economic development (BEIS) in addition to DCLG .

**It was subsequently agreed that DCLG should again consider the organisations that should be invited to any future NCG Meetings.**

## 5. DCLG Update

PL stated that DCLG was here to learn and that this was a critical time for decisions. However no decisions had yet been taken with regard to the future of the MASS.

PL apologised for the lack of attendance from DCLG at AWPAs, which didn't mean that the importance of aggregates wasn't recognised by Ministers, but was due to the prioritisation of planning for housing and implementation of the Government White Paper 'Fixing Our Broken Housing Market'. PL indicated that DCLG has very little resource assigned to minerals planning presently, but is keen to understand the respective roles of DCLG, wider-Government, local government and the industry in MASS. It was pointed out by members of the group that the ongoing and adequate provision of minerals is fundamental to the Government, if it is to achieve its aims on housing and infrastructure projects.

PL posed the following questions:

is MASS currently fulfilling its purpose?

what is the market failing to do, if anything, and

what does the Government need to do to help?

if the current system isn't working, is there a different model that might be more effective?

PL suggested that conversations so far indicated a need for minerals planning to be forward rather than backward looking, if production is to meet the needs of growth and also consider the demands likely to be generated by major projects coming forward.

TC questioned whether supply is happening in an efficient manner – Each region is contributing, but how do you define that it is a sufficient amount? TC also questioned if funding was in place to continue with the AWPS as it would be difficult to re-start, if there was any break in the process.

RG asked if DCLG intended to make any changes to the NPPF? If so would the minerals section be strengthened or weakened? DCLG recognised that the MASS system is part of the NPPF and stated that they don't anticipate any changes to the Minerals part of the NPPF to be made. PL invited views from members of the group if there were any concerns with the current NPPF

LW felt that there may have to be a link to minerals as "Planning for the right home in the right places: consultation proposals" envisages statements of common ground for all planning authorities.

PL replied that statement of common ground applies to minerals and should strengthen current duty to co-operate arrangements, and help to address cross-boundary matters.

TC referenced the importance of the LAAs adopting a consistent approach to provide background to Local Plans

MR stated that Government is solely focussing on housing priorities; there is very little consideration of the minerals needed to achieve this, there was only one reference to minerals in the government white paper. Unless the Government properly understands minerals requirements the supply wheels will fall off.

PL posed the issue of the “supply and demand” of minerals and whether or not this subject sat best with DCLG, or, government departments more directly involved with construction such as BEIS or Treasury. MR highlighted the need to provide in the long term, bearing in mind the need to supply 1mt per day of which only 25% is for new housing.

CW felt that there were issues with having to work within just a District or County for minerals and that more guidance is needed in the NPPF. Large metropolitan areas such as Greater Manchester don't produce enough minerals and are heavily reliant on neighbouring counties to fulfil their needs, citing significant requirement for both sand and gravel, and, crushed rock imports. There needs to be more support from Central Government to achieve this.

MN remarked that there was very little joined up thinking when it came to major housing and infrastructure projects and there was no audit on mineral supply chain requirements making it difficult for local government and industry to plan ahead. Industry benefited from good surveys, and AWP's are the only groups understanding local requirements. Given Government had just recognised the need to predict and provide numbers in respect of housing<sup>1</sup> they seemed intent on dismantling a similar process i.e. MASS, which has served the country well for many years.

Consequently things are starting to unravel. Industry needs confidence to invest. As the largest UK aggregate companies are internationally owned, there is competition with other countries for finite investment funds. Those funds are likely to be invested where the necessary return is most likely to be achieved.

GN raised the issue of production capacity in order to meet the needs of infrastructure demands particularly for major projects where the timings may overlap.

It was pointed out that the amount of aggregates being extracted had declined significantly in some parts of the country and was not necessarily being replaced elsewhere. It was agreed that there was an issue with vulnerable sand and gravel

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<sup>1</sup> Planning for the right home in the right places: consultation proposals – DCLG Consultation September 2017

landbanks in all regions and that high production areas were supporting low production areas.

TC suggested that we needed to ensure that supplies are discussed inter-AWP.

PHu felt that action to facilitate mineral extraction was being undermined on a number of fronts, including the national park authorities who are resisting extraction. He also felt that there was a need for central government leadership on this, which was echoed by other industry representatives.

It was also widely supported by industry and AWP's, that AMRI\* needs reinstating to provide a nationally consistent evidence base to help inform plan making. The fact that operators were under a statutory duty to supply data, significantly increased the robustness of the output. PHu indicated that the costs of undertaking the surveys was small compared to the importance of the outputs of the surveys

PL asked the group what was needed to drive matters forward. A mechanism for cross regional co-operation was discussed. Representatives felt that there was a need for a sound evidence base to enable local government and industry to effectively plan ahead. LW also cited the government set apportionments which were introduced previously to limit under supply by LPAs based solely upon historic sales. The apportionments provided a region by region setting of what LPAs should be expected to contribute to aggregate supply. MR highlighted the criticality of the annual surveys which provide a sound evidence base upon which forecasts can be made.

NH felt that there was a long term problem with the overall time taken to put together and determine planning applications. Long-term erosion of the mineral planning system has been occurring over the past 20 years or so. The aggregate land bank requirements in national government policy had been reduced from "at least 10 years to at least 7 years" for sand and gravel, with a corresponding reduction in requirement for crushed rock from "at least 15 to at least 10 years". Whilst in isolation, this may not have had such a negative effect on minerals supply, when coupled with the reduced number of production facilities, policies of managed retreat, and the significant increase in the time to prepare a planning application (often more than a decade from original site investigation and including environmental studies now on average circa 3 years), there is significantly less flexibility in the industry to respond to upward changes in demand.

AC felt that local authorities should be forced to employ qualified staff.

There was a general consensus that there isn't enough evidence to support industry and the mineral planning system, that there is likely to be a critical depletion of aggregate supplies, and, that we are quickly approaching the point where production will dwindle to such a low level that many counties will cease to produce aggregates.

TD emphasised the need, not only for inter-regional co-operation, but for LPAs within the regions to co-operate with mpas citing experiences in the Midlands. TD raised concern that historical production was being used to predict future demand with the inevitable misuse of these statistics in under provision in a self-fulfilling downward spiral. MN referenced the political dimension which would now appear to be adding to the turmoil as new administrations are withdrawing development plans which have been many years in the making. MN suggested that housing developments (at the plan stage) and major infrastructure projects should be undertaking supply audits as part of the approval process.

RR stated that if you wanted to see evidence of aggregates market failure you only need to look at London, where there is little to no local extraction and closure of some wharves to be replaced with housing.

TC said that the AWP Chairs had had a period without Secretaries when there had been a delay in DCLG issuing the previous contracts for the AWP Secretariat. This had been very unhelpful and TC requested that DCLG should try to avoid this happening again.

**It was agreed that DCLG should consider all the points raised under this item.**

## **6. National Aggregates Monitoring Survey**

The AM Survey is undertaken every 4 years. It has been undertaken by BGS on behalf of DCLG to underpin information on sales and reserves, which allows the calculation of consumption. Further information on environmental designation and material flows is also obtained. Even though it is a voluntary survey there is a good uptake as industry understands the importance of the survey. Historically the information fed in to the apportionments and guidelines, and, it is also important to help mpas to assess to where the materials are being transported

**NCG actively supports the production of the National Aggregates Monitoring Survey.**

It was stressed that the 4 yearly AM survey is interlinked with AWP contracts and relies on the AWP Secretariat to circulate the survey forms. It crucially underpins the Duty to Co-operate. It also provides information which is essential to the preparation of Minerals Plans.

## **7. Aggregate Monitoring 2016 – England and Wales**

It is difficult to readily compile a national picture as whilst all the AWP's produce an Annual Monitoring Report (AMR) they are not in the same format and not directly comparable. It was suggested that a similar format should be agreed for the future production of the AMRs.

Sand and Gravel Landbanks were below 7 years in two AWP areas and only two AWPs had landbanks in excess of 10 years.

CW suggested that what was supposed to be achieved and what was actually achieved, needs to be recorded in the summary. There also needs to be a more consistent way of providing LAA information.

There was difficulty in forming an evidence base as not all information is returned by the operators making conclusions difficult, there is also little or no information from recycled aggregate producers.

MN on behalf of the MPA stated that the average replenishment of sand and gravel reserves on a 10 year rolling average was 60%, but in 2016 it was only 20%.

TC stated that it was difficult to establish a picture of the current situation and that the assumptions within the national guidelines for recycled and marine aggregate were higher than what had been achieved.

GN added that often recycled aggregates are used for non-aggregate uses such as screening bunds.

DCLG do not currently read the AM Reports produced by the AWPs. PL asked if a national picture could be made available. CW stated that one was started last year by Eamon Mythen at DCLG but time constraints had prevented its completion. CW highlighted the need for this to be done by DCLG in order to identify and understand mineral supply issues from a national perspective. Alternatively, if DCLG does not have the capability to do this, a coordinating role could be built in to the AWP contract. PLe stated that the message to take to Ministers if the issue of low aggregate extraction wasn't sorted out, is that the price of aggregates will increase, productivity will decrease, and imports will increase. Price increases will affect Government significantly as the Government is a significant user of aggregates.

TD stated that in his view, local authorities are downgrading apportionment, and the lack of cooperation between authorities is making the supply issue larger.

Government needs to look at how they are going to resource the large infrastructure and housing projects. Members of NCG gave examples of where the level of aggregates required for large infrastructure projects had not been considered at all during the determination of the project, despite the amount needed being significant in terms of overall production.

## **8. Future Aggregate Provision**

DP presented the MPA report which takes into account various factors which may impact demand and consumption as well as factors including depleted resources, imports, and marine aggregates giving projections based on assumptions.

The report projects 3-4 billion tonnes of aggregates will be needed in the next 15 years.

It was agreed that this report provides valuable information on current aggregate production and future demand but as MR highlighted this relies on AMRI being committed to and being routinely undertaken to provide National data. PHu highlighted potential criticism of “industry only” based assessments. JW highlighted the need for the 4 yearly surveys as this gives information on inter-regional aggregate movements. DP stated that the National and Regional Guidelines should be reviewed and updated to provide clear benchmark for forward planning and as a requirement of NPPF and NPPG. The methodology for producing the Guidelines needs to be transparent including addressing problems over political acceptance experienced in the past. It was agreed that new “Guidelines” are required and that these should be based upon simple and transparent metrics which could be established to guide each LAA.

One option suggested for replacement of the existing guidelines was the idea of a formula which could be used to try and calculate demand going forward (along similar lines to the way that it is suggested that local housing need should be calculated in the current consultation paper ‘Planning for the right homes in the right places’). This could be based on the previous 10 years’ sales’ data but also able to take account of additional one-off demands (such as that which could be generated by HS2, Crossrail or Hinckley Point), and imports, which in some cases have more of an influence on demand than local sales’ data (notably in Greater Manchester).

Such a formula would, in effect, be a transparent version of the method used for calculating the National and Sub-National Guidelines. It would need to be set up at a national level so as to avoid any suggestion of bias.

Comments or thoughts as to the variables which would need to be included within such a formula would be welcomed by PL.

**It was agreed that the MPA should examine whether sub national commentaries could be produced based on the AWP areas.**

**It was concluded that some Government guidance is needed to help future aggregates forecasting, including an update and revision of approach, of the National and Regional Guidelines.**

## **9. Annual Aggregate Monitoring Reports**

RR highlighted a lack of conformity between AWP AM reports making it difficult to compare issues across the country. A consistent format is needed and needs to be agreed between the AWP areas, DCLG needs to collate the individual annual aggregate monitoring reports that it receives into a report to show the national picture.



CW suggested that how the AWP's deal with recycled aggregate also needs to be discussed as currently the AWP's are using data from the Environment Agency's Waste Data Interrogator which is not entirely accurate.

It was reported that there was still a considerable delay in getting figures from some operators. This was not necessarily restricted to the small operators but some national companies too.

RR said that he felt that DCLG should revisit the time period for producing and submitting the AM Report. Currently the contract requires it to be submitted to DCLG by 30<sup>th</sup> June the following year. However, generally few AWP's achieve this target and it was felt that the time period should be extended to a date later in the following year.

**It was agreed that AWP Secretaries should meet to agree a standard format for the executive summaries/dashboard for the AWP AM Reports which should include LAA monitoring figures and landbanks at a Mineral Planning Authority level. Consistency of the AMR format is a matter which could be included in any future AWP contract**

## **10. Local Aggregate Assessments**

The POS/MPA Practice Guidance was considered useful for the consistent and clear production of LAAs.

There needs to be a robust consistency within LAA's. The LAA figure to assess landbanks needs to be clearly identified. Concern was expressed about the current contract deadline of the end of June as this can reduce accuracy due to the difficulty of obtaining survey information off some operators within the specified timescale.

## **11. Welsh Perspectives**

The Welsh Government produces a regional technical statement (RTS) every 5 years, using a top down approach. The RTS is a requirement of Government Policy and establishes future demand for LPAs and the LPAs are supportive of the RTS. What is included in the regional technical statement needs to be taken into account when developing the regional plan. The Welsh Government is committed to the RTS process.

Wales does not have national guidelines but still contributes to MASS.

GN stated that Wales did have collaborative working as all authorities are Unitary Authorities but, similar to other areas, there are local issues, funding constraints and a lack of minerals expertise.

## **12. Combined Authorities and Aggregates**

CW stated that aggregates are often not seen as important by metropolitan authorities.

Authorities need to establish where aggregates are going to come from before committing to major infrastructure projects. There was a need to safeguard aggregates resources and aggregates infrastructure. There is clearly a requirement for major user authorities to liaise with neighbouring producing authorities.

## **13. Future of AWP**

If AWP are to continue they may need some refinement as to their role.

**The AWP ToR should accordingly be reviewed for inclusion in any future Secretariat Contracts.**

### **AOB:**

CW asked how often NCG should meet, suggesting at least once a year.

It was suggested that Marine Aggregates need representation at NCG, and PINS will need to attend in more than an observational role.

An initial reaction from DCLG was requested on the usefulness of the AWP and the NCG. PL replied that today's meeting had been very helpful as a means to understand the issues, but that it was too early to comment on arrangements for next year.

MR asked for a timeframe for a response to the points made at NCG to the questions raised by DCLG under item 5. PL indicated that NCG could expect to hear further from DCLG by Christmas.

**There was a consensus on the following action points:**

- 1. AWP should provide a focal point to guide MASS, providing consistency and a historical context which should not be lost. This would require a renewal of the AWP Secretariat Contracts.**
- 2. A sound evidence base is needed for each area. The AM Surveys and AMRI contribute to this.**
- 3. Guidance is needed on future demand for minerals. The shape of future direction needs definition at AWP area level.**
- 4. Strong central leadership is required to ensure that future demand is achieved.**
- 5. Co-operation between AWP areas needs to be encouraged, and DCLG's input at AWP meetings is fundamental.**

- 6. NCG provides a valuable function in bringing together Central Government, Local Government and industry to address issues related to the minerals contribution to the growth of the country. Early indication of a commitment to the AWP is essential.**

#### **14. Next Meeting**

PL will consider the need/timing of the next NCG in the light of points raised at the meeting