



Mineral Products Association

AMPS 2019

8th Annual Mineral Planning Survey Report

EXECUTIVE SUMMARY

The 8th Annual Mineral Planning Survey, AMPS 2019, is set against the backdrop of a slight increase in demand for aggregates during 2018.

Over this period, crushed rock sales across Great Britain still represented 2.5 times those for sand and gravel. Demand for land-won sand and gravel continues to outstrip the amount of new reserves being permitted, with the 10-year average replenishment rate at 63%, an increase from the equivalent figure in 2017 (57%). This reflects the fact that newly consented sand and gravel reserves represented 92% of annual sales during 2018. In the case of crushed rock, the 10-year average replenishment rate stands at 75%, with new reserves permitted in 2018 representing 84% of annual sales.

The latest AMPS report identifies that the long-term reserve-base upon which the aggregates

sector is so dependant is under pressure especially when the difference between annual sales and replenishment is analysed. Figures 1 and 2 show that for a number of years, land-won aggregates consumption has outstripped the level of new permitted reserves issued. If this trend was to continue, it may have implications for the long-term supply of land-won aggregates, particularly for sand and gravel. The number of applications for new mineral resources submitted by the industry continues to be low. Anecdotal feedback from industry suggests this reflects the cumulative costs of obtaining access to land and securing the necessary permissions and permits, together with the underlying political and economic uncertainty.

This year, an analysis of regional replenishment rates and annual sales illustrates the declining reserve trends that are emerging, particularly in traditional supply regions. Figures 3 and 4 depict the regional 10-year average data for both crushed rock and land-won sand and gravel. The output illustrates the challenge that some of the key regions responsible for national supply are facing in maintaining their reserve-base given demand pressures. Further growth in aggregates demand is expected to support Government's £413bn pipeline of infrastructure projects and programmes, including major road, energy and rail projects, as well as need to build more housing. Current pressures on the regional reserve-base need to be closely monitored and implications need to be considered and addressed.

THE KEY FINDINGS OF THE REPORT

■ Sales

Total sales of land-won sand and gravel increased by 2.9% in 2018 while sales of crushed rock increased by 2.2%.

■ Replenishment of sand and gravel reserves

While 92% of annual sales were replenished through new permissions in 2018, the rolling 10-year average is 63%, indicating that sales continue to outstrip the amount of new reserves permitted.

■ Replenishment of crushed rock reserves

The 10-year average for the replenishment of crushed rock reserves was 75% in 2018. In 2018 84% of annual sales were replaced by newly permitted crushed rock reserves.

■ Number of planning applications

There has been a slight decrease in submissions for sand and gravel in 2018 (16 sites) compared to 2017 (18 sites), the majority being for extensions at existing operations. The number of crushed rock applications also decreased (3 compared to 5 in 2017). A further 18 applications (21 in 2017) were made for time extensions, 573 applications and similar matters to maintain existing operations.

■ Number of planning decisions

A total of 16 applications were approved for sand and gravel extraction in 2018 (13 in 2017) with no refusals, and 1 application was withdrawn. For crushed rock, 5 applications were approved in 2018 (up from 2 in 2017) with no refusals.

■ Time taken to obtain permission

Over 2006-18, it took on average 30 and 27 months respectively to secure permission for new sand and gravel and crushed rock reserves.

■ Plan Allocations

Over the past 10 years, 43% of all new permissions issued were for sites that had not been allocated in a mineral plan.



Figure 1. Difference between new permitted reserves of sand and gravel issued each year and sales volumes

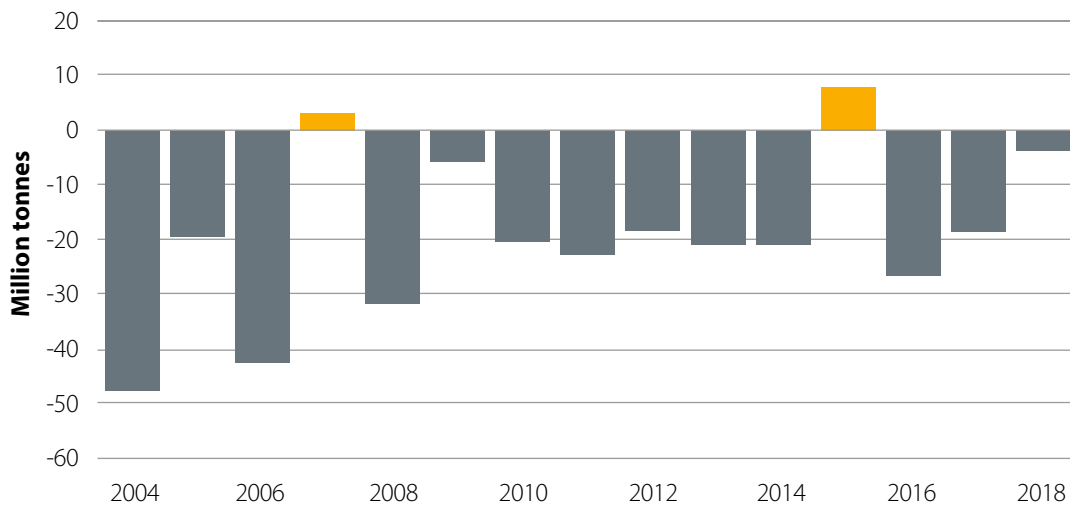
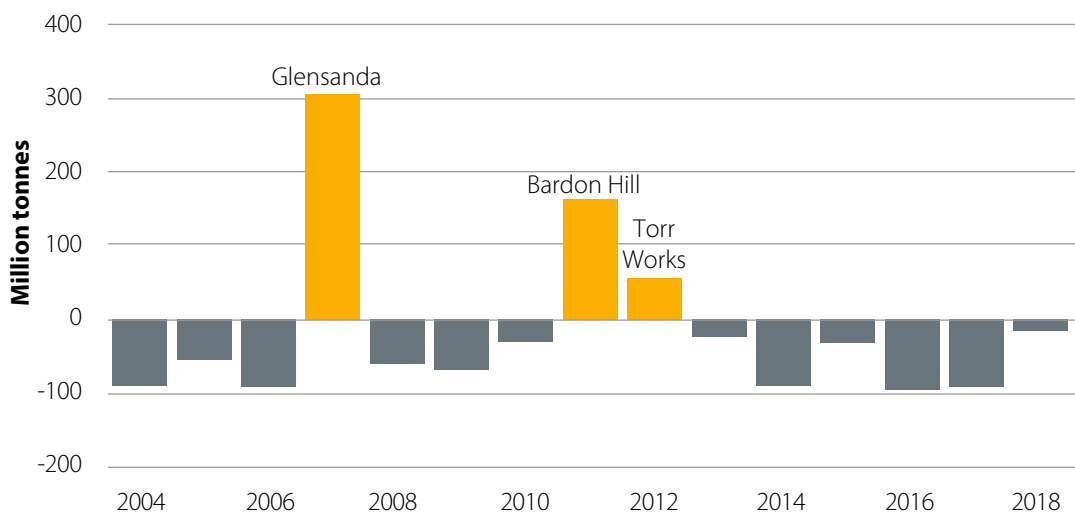


Figure 2. Difference between new permitted reserves of crushed rock issued each year and sales volumes

(note 2005, 2011, 2012 dominated by major individual consents)



It takes on average 30 months to determine and issue a mineral planning application for sand and gravel, and 27 months for crushed rock. However, the overall time taken from early application preparations through to implementing a planning consent can be significantly longer. Typically, it can take between 5 to 15 years to convert a new site from exploration into an active, operational concern. The continued absence of a strategic approach to forecasting future demand requirements is increasingly resulting in inconsistencies and tensions between individual mineral planning authorities and the Aggregate Working Parties. This, in turn, creates further uncertainty for industry in committing to long term developments and investment.

The vast majority of aggregates supply is used in UK construction – improving our housing stock, transport networks, commercial and industrial buildings, utilities, schools and hospitals. Construction, including but not limited to high-profile infrastructure projects, is a key element of Government's Industrial Strategy aiming to boost productivity and secure sustainable future economic growth.

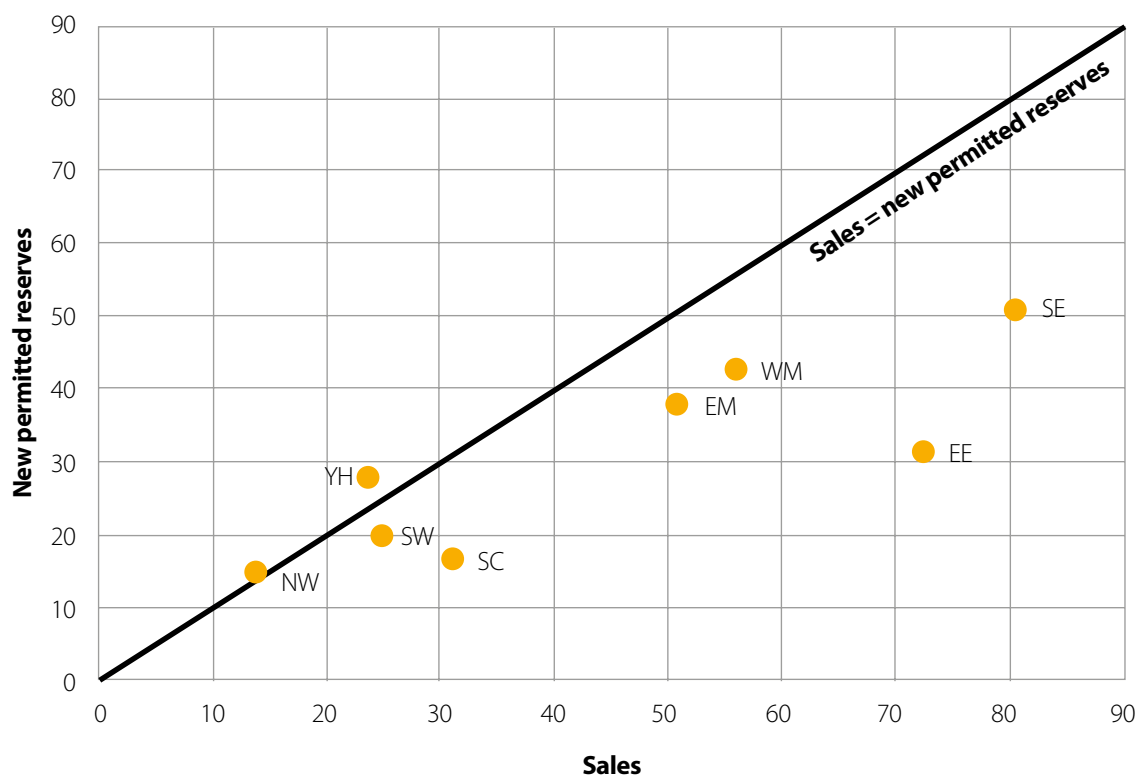
Therefore, the future supply of these essential construction minerals cannot be assumed. It requires effective planning, management and monitoring and there is a continued clear desire from both local authorities and from industry for the National and Sub-national Guidelines for aggregates provision to be updated to support the Managed Aggregate

Supply System (MASS).

The MPA's 'Long term aggregates demand & supply scenarios, 2016-2030' indicates that a cumulative total of between 3.2 to 3.8 billion tonnes of construction aggregates are likely to be required by 2030 to support economic growth and development across the country. To secure the supply of these materials will require active management, supported by data to monitor performance in order to ensure the right resources are made available in the right place and at the right time.

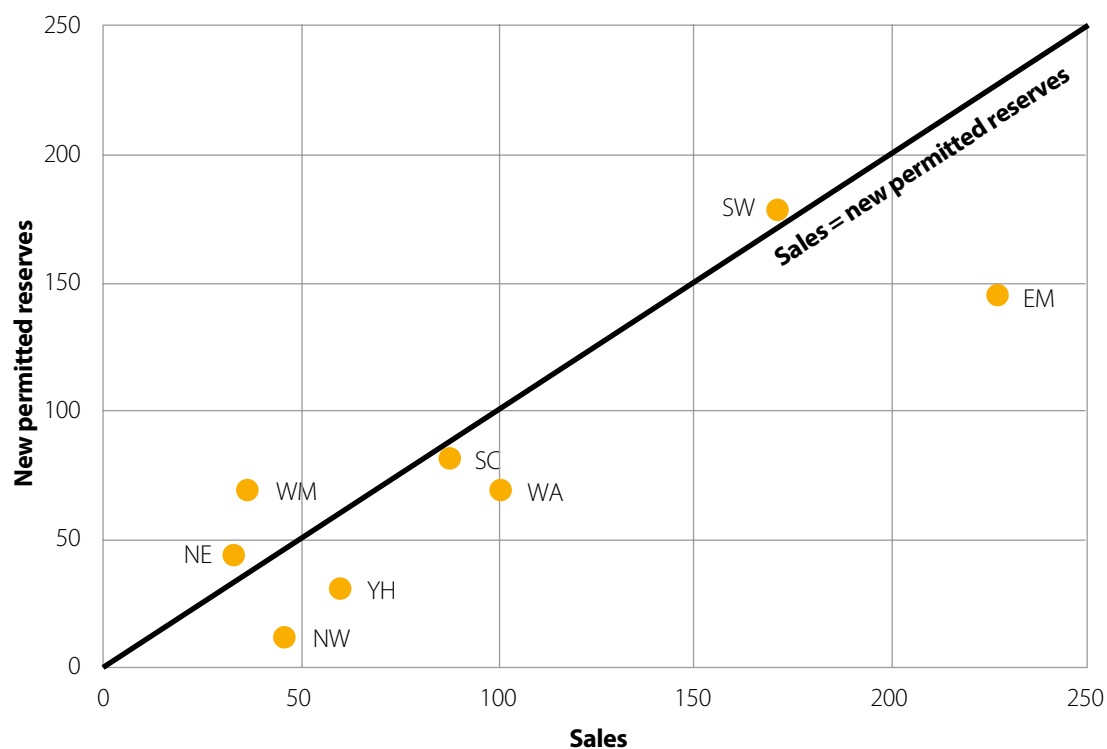
If there is no reversal in the reported trend of diminishing reserves, it is inevitable that the tensions involved in maintaining future supply will increase.

Figure 3. Regional sales volumes and new permitted reserves for land-won sand and gravel, 2009-18 (Million tonnes)



- (1) All data are from MPA aggregates producers. Whilst the sample of producers reporting the new permitted reserves cover all MPA members, the sales sample is smaller, marginally under-representing total sales from MPA producers.
- (2) Permitted reserves include land-won aggregates only. The sales data include marine sand & gravel. This difference primarily affects the comparability in the South East, and to a lesser extent, the South West.
- (3) London has been removed from the comparison due to marine sand & gravel landings dominating sales, which would distort any assessment against new permitted reserves of land-won sand & gravel.

Figure 4. Regional sales volumes and new permitted reserves of crushed rock, 2009-18



(1) All data are from MPA aggregate producers. Whilst the sample of producers reporting the new permitted reserves cover all MPA members, the sales sample is smaller, marginally under-representing total sales from MPA producers.

(2) Data for London, the South East and the East of England have been removed for confidentiality.



INTRODUCTION

AMPS 2019 is the latest in a series of annual reports produced by the Mineral Products Association (MPA), informed by a survey of the planning activities of the membership across Great Britain in 2018. MPA members are responsible for 100% of UK cement production, 90% of GB aggregates production, 95% of asphalt and over 70% of ready-mixed concrete and precast concrete production. It also represents other essential primary materials such as industrial sand, lime, and dimension stone.

The objective of the AMPS survey is to update and report annual statistics that are relevant to the mineral planning processes across Great Britain. These processes support the delivery of the permitted reserves which ultimately sustain the minerals industry and those activities that rely on it, primarily construction and manufacturing. Attention is drawn to other reports produced by the MPA which evidence the Sustainable

Development performance of the industry, the contribution it makes to the UK Economy, the contribution of recycled and secondary materials to aggregates supply, and other industry achievements in relation to quarry restoration and biodiversity.

Some of the data reported relate only to construction aggregates, which represent by far the largest element of mineral extraction

activity in Great Britain. The planning application statistics relate to all planning applications submitted by MPA members and include data for aggregates and other minerals (soft sand, high PSV and industrial materials such as cement, clay, dimension stone and silica sand).

Each figure sets out the scope of the information that is presented and the variations between the topics reflect the historical data that can be drawn upon. This is principally because the AMPS report is continually evolving in response to comments received. Consequently, some data has only been collected relatively recently, whilst other data goes back to the 1990s. The overall objective is to produce a document that is useful to all those involved in planning for minerals, primarily aggregates.



MINERAL PLANNING OVERVIEW

Last year's AMPS report highlighted that the managed aggregate supply system (MASS) in England was struggling to perform in the absence of updated National and Sub-national Guidelines that provide a clear and strategic statement of future demand and needs for construction aggregates. Comfort was taken from the Government's response to the consultation process issued alongside the publication of the revised National Planning Policy Framework (NPPF) in July 2018;

*"The Government recognises that **planning for minerals is essential** to increasing the supply of housing and other development, and that without updated guidelines, there is **a real risk of under-provision and possible sterilisation of mineral resources... the case that has been made for revitalising the MASS...** The Government intends to explore these issues after the publication of the Framework."*

From an industry perspective, accurate and up to date data is essential if the role and effectiveness of MASS is to be strengthened and reinforced, in accordance with Government's ambitions. Alongside additional resourcing within the Ministry of Housing and Local Government (MHCLG), it is understood that the Aggregate Minerals Survey (AM Survey)** will be updated in 2020, the last version having reported data for 2014. The updated AM Survey, which will consider 2019 data, will provide all stakeholders with mineral planning interests with consistent data on current reserves, and just as importantly inter regional relationships between sales (production) and demand (consumption).

The current national and sub-regional guidelines for aggregates provision in England, which were published in 2005 and subsequently updated in 2009, covered the period 2005 to 2020***. These set out guideline figures for land-won mineral production over this period, alongside

assumptions for the contributions from other sources of supply, including marine sand and gravel, secondary and recycled sources, and imports. Without updated Guidelines, there continues to be a risk of under-provision arising from local subjectivity and interpretation around what constitutes future 'need'. The current arrangements, which rely on the production of Local Aggregate Assessments (LAAs) by mineral planning authorities, attempt to 'forecast' future mineral needs based on past recessionary sales figures. This results in an approach which fails to consistently consider future mineral demand. The absence of a strategic approach leads to inconsistencies and tensions between mineral planning authorities and Aggregate Working Parties, which in turn creates uncertainty for industry in committing to long term developments and investment. The future supply of minerals cannot be assumed and there is an urgent need to produce revised national and sub-national Guidelines for aggregates provision, effectively providing a clear national 'statement of need'.

A key consideration for effective mineral planning remains the intra- and inter-regional supply of minerals, given that the location of resources can often be distant from the main markets. Although LAAs are meant to try and address these issues, the absence of data and resource constraints within mineral planning authorities mean that, in practice, this cannot be done on a consistent or comparable basis.

As a default, it is assumed that historic supply scenarios will continue to apply in future.

The 2019 AMPS report highlights concerns about this assumption, as regional pressure points are emerging. The survey has examined reserves versus sales for both sand and gravel and crushed rock on a regional basis, using 10-year average data (see figures 3 and 4). This clearly shows the traditional supply areas, such as the East and West Midlands, North West, South West and South East, are under increasing pressure as they have to respond to increasing demand. Further evidence of this pressure can be found in cases where mineral planning authorities have been unable to identify a full allocation of mineral to cover their mineral plan period. A review of the national and sub-regional guidelines will enable both mineral planning authorities and industry to plan more effectively and confidently for the supply of essential construction aggregates to satisfy the Government's housing and infrastructure ambitions.

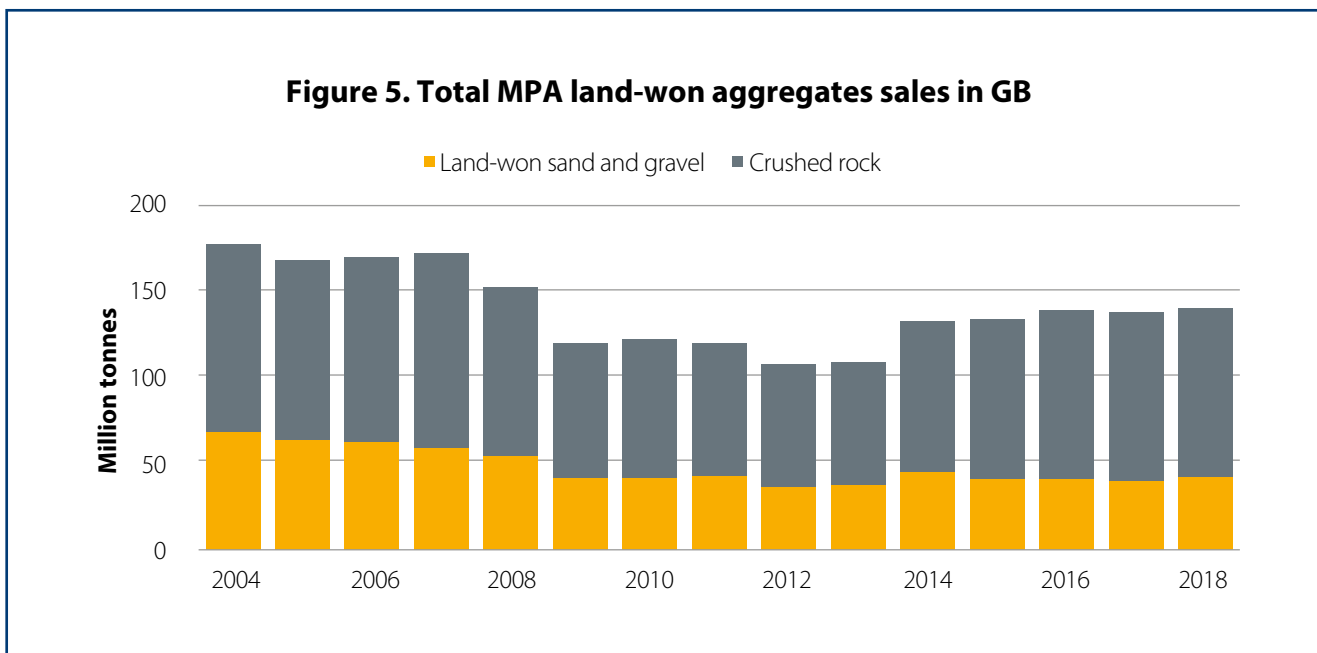
It is notable that Government proposals resulting from the Housing White Paper have acknowledged the need for a sound and consistent evidence base, alongside mechanisms to quantify future housing needs to support the timely and effective delivery of local planning processes. The same requirements equally apply to the minerals necessary to realise the ambitions around housing delivery. Given the characteristics of both the minerals that are produced and the construction sector that is being supplied, the basic premise of '*plan, monitor and manage*' should apply to ensure a steady and adequate supply of minerals. This requires long-term coordination and support from the Ministry of Housing, Communities and Local Government, supported by a National Aggregates Coordinating Group.



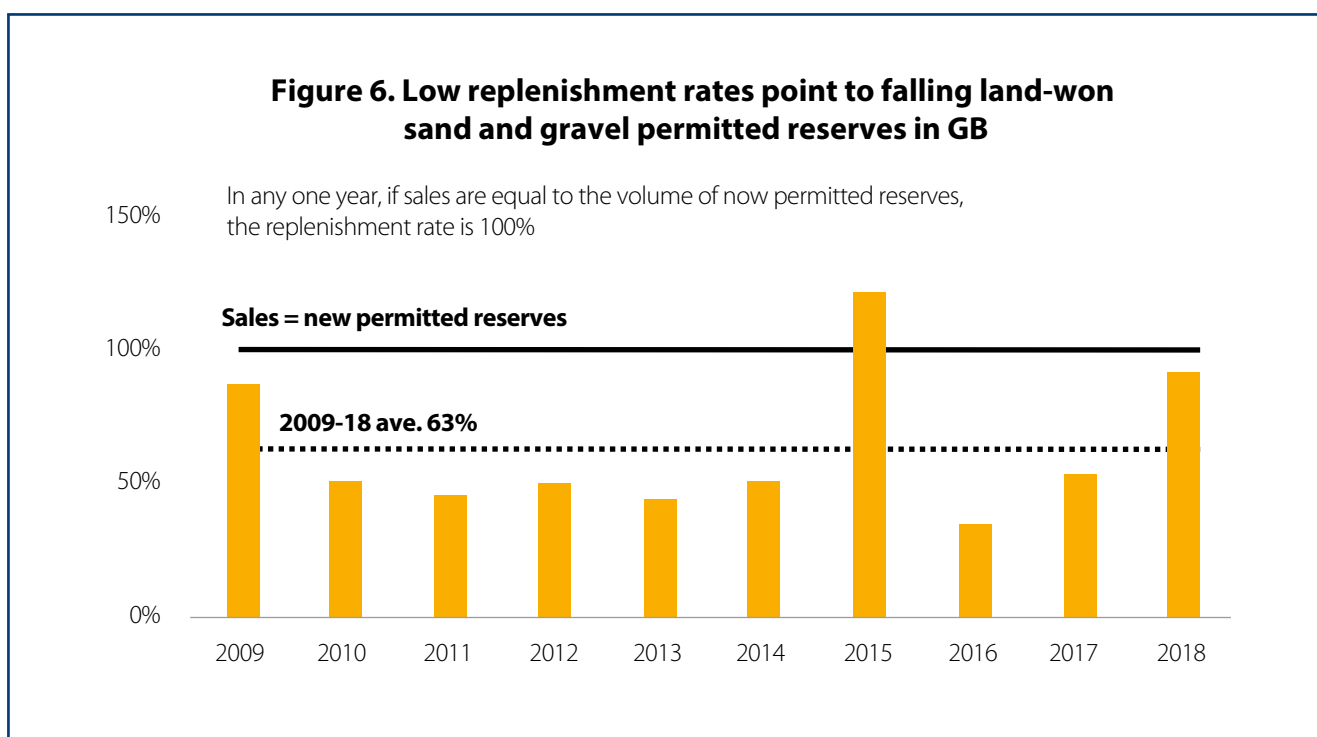
SECTION ONE – AGGREGATE SALES AND REPLENISHMENT

1.1 SALES

Figure 5 has been derived from sales data provided by MPA members, which typically represents 90% of the total GB primary aggregates market. It shows that primary aggregate sales continued to increase in 2018, with crushed rock aggregates recovering more rapidly than sand and gravel. During 2018, land-won sand and gravel sales (41 million tonnes) increased by 2.9% compared to the previous year, while crushed rock sales (100 million tonnes) were 2.2% higher.



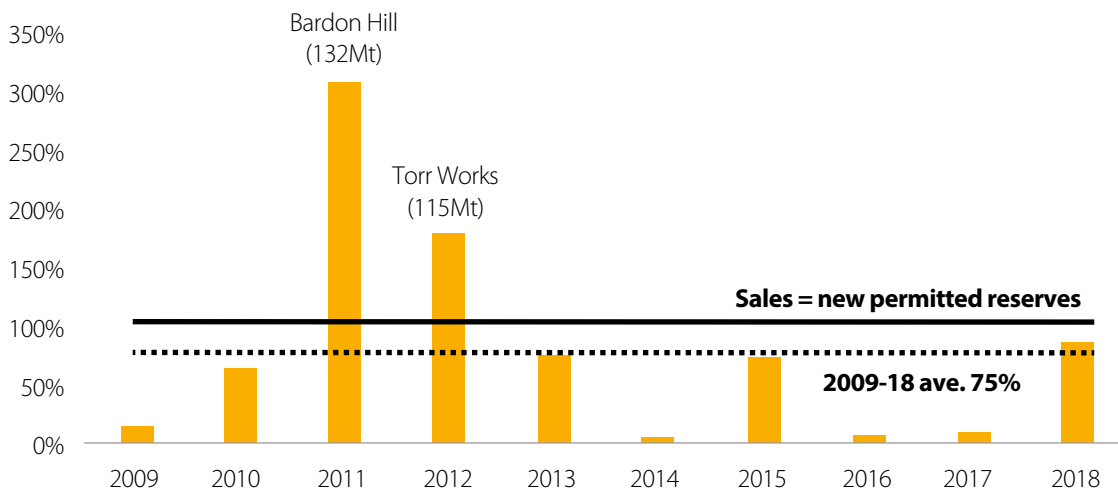
During 2018, 92% of land-won sand and gravel sales were replaced by new permitted reserves. However, long-term replenishment rates continue to be of concern, with the 10-year average remaining depressed at only 63% (see figure 6). This means that, in the past 10 years, for every 100 tonnes of land-won sand and gravel produced, only 63 tonnes on average have been replaced with new permitted reserves.



For crushed rock, new reserves equivalent to 84 million tonnes were permitted in 2018, equivalent to 75% of total annual sales. Survey results also show that for the sixth consecutive year, annual sales have continued to exceed the level of new permitted reserves for crushed rock. Consequently, the 10-year average replenishment rate for crushed rock currently stands at 75% (see figure 7).

Figure 7. Replenishment rates for crushed rock in GB remain well below parity since 2013

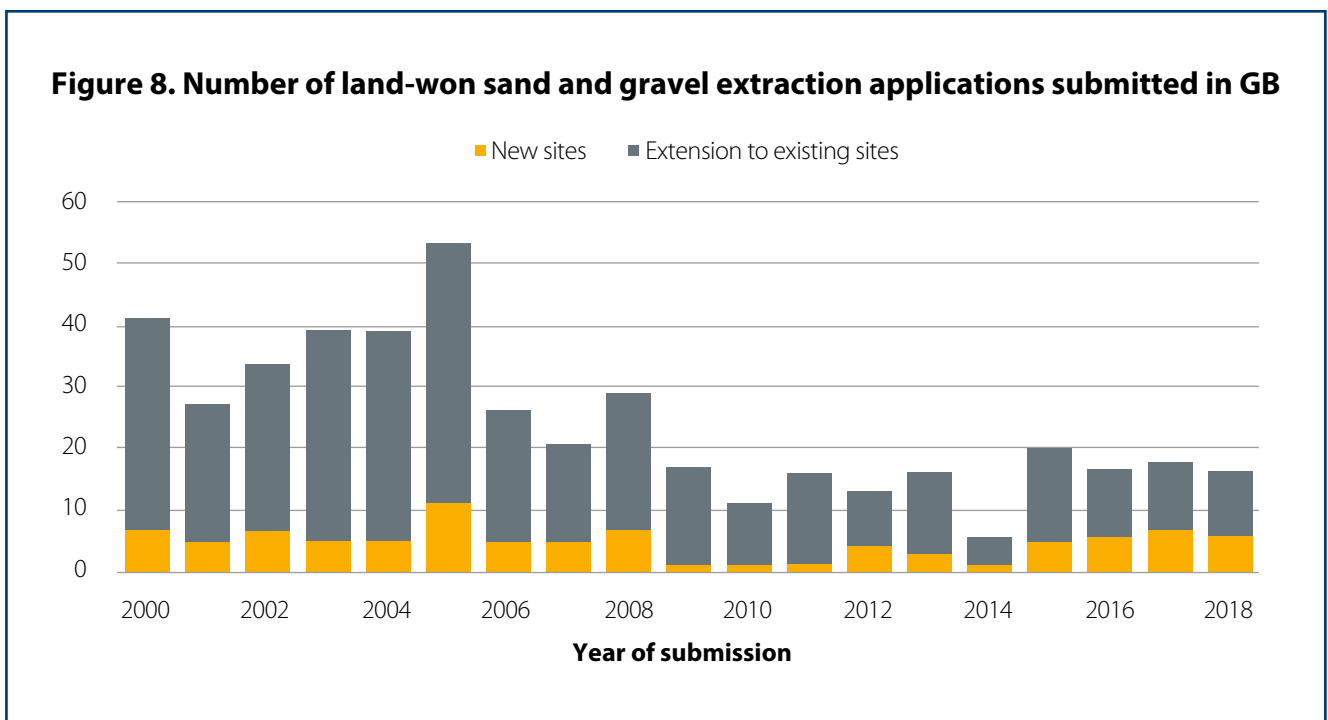
In any one year, if sales are equal to the volume of new permitted reserves, the replenishment rate is 100%



SECTION TWO – PLANNING ACTIVITY

2.1 NUMBER OF APPLICATIONS

There were 6 applications for new sand and gravel sites submitted in 2018 (7 in 2017). In addition, a further 10 applications were made for extensions to existing quarries, compared to 11 the previous year.



There were 2 crushed rock extension applications submitted in 2018 compared to 5 in 2017. There was also 1 application for a new site, the first one since 2002.

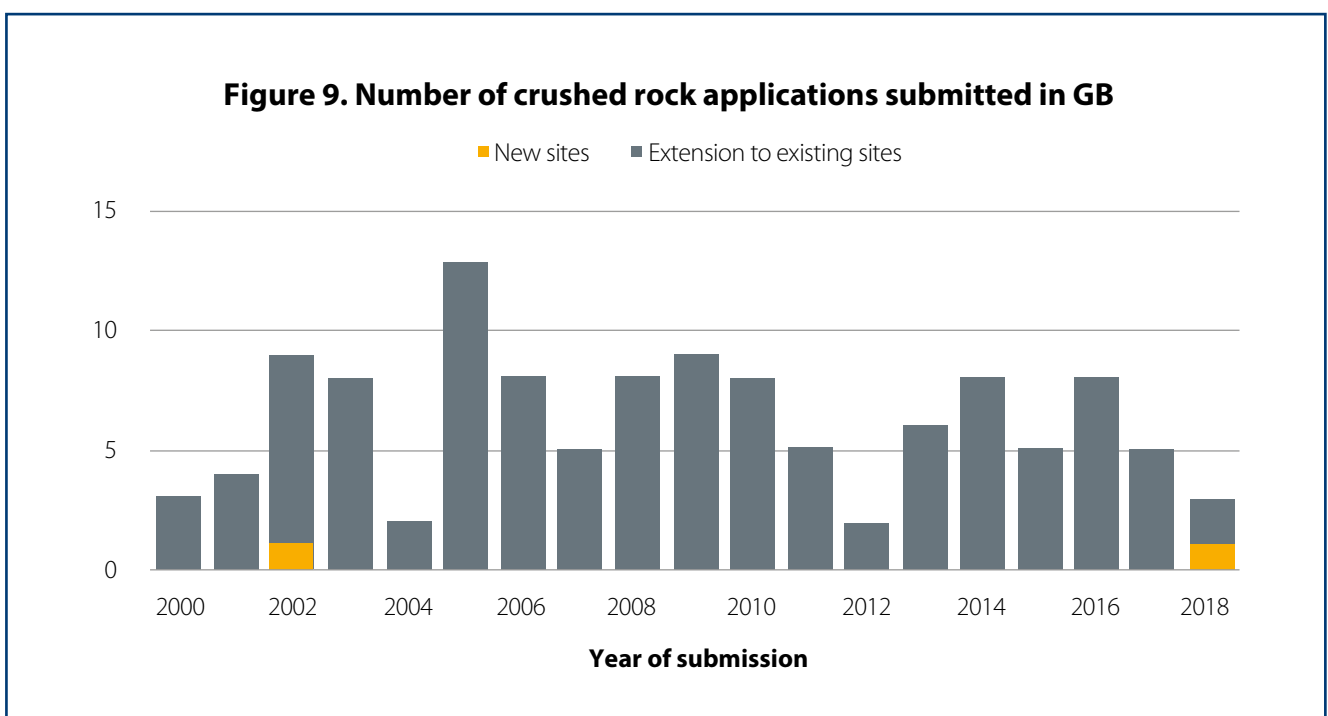
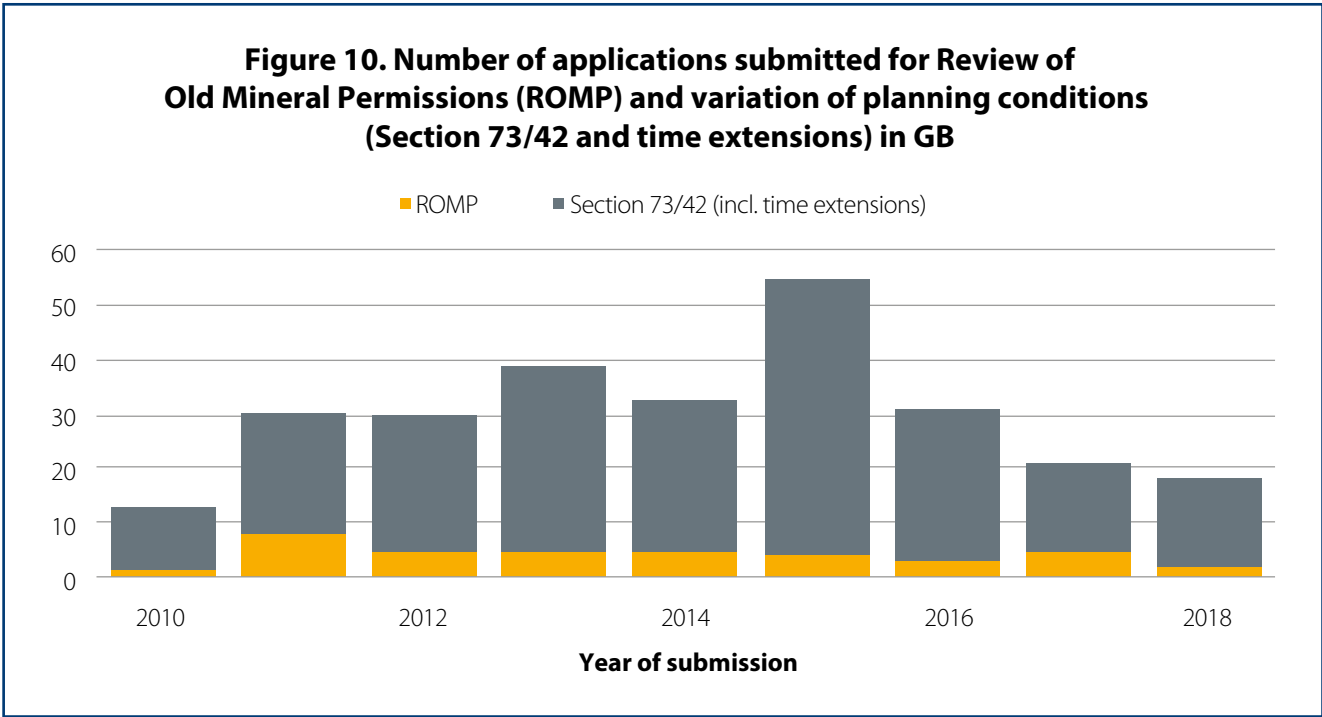


Figure 10 shows the number of Review of Old Mineral Permissions (ROMP) submissions and Section 73 (Section 42 in Scotland) applications that have been made each year. There were 2 ROMP submissions made during 2018 and 16 Section 73 applications (unchanged from 2017), of which 8 (unchanged from 2017) were for extension of permission term. These figures are likely to reflect the impact of the last recession in 2009, when sites have been operating at reduced levels of output and /or mothballing.



SECTION THREE – PLANNING AUTHORITY PROCESSES

3.1 NUMBER OF DETERMINATIONS

Approvals for sand and gravel increased to 16 during 2018, compared to 13 during 2017, with no refusals recorded. In respect of crushed rock, 5 applications were approved with no refusals or withdrawn applications.

3.2 REGIONAL RESERVES AND DEMAND

This year, an analysis of regional replenishment rates and annual sales illustrates the declining reserve trends that are emerging, particularly in traditional supply regions. Figures 3 and 4 depict the regional 10-year average data for both crushed rock and land-won sand and gravel. The output illustrates the challenge that some of the key regions responsible for national supply are facing in maintaining their reserve-base given demand pressures. Further growth in aggregates demand is expected to support Government's £413bn pipeline of infrastructure projects and programmes, including major road, energy and rail projects, as well the need to build more housing. Current pressures on the regional reserve-base need to be closely monitored and implications need to be considered and addressed.

3.2 TIME TAKEN TO OBTAIN PERMISSION

Figures 11 and 12 show the time taken to complete each stage of the overall planning process required to secure a mineral planning permission. The time required to get a sand and gravel application to determination once it has been submitted increased to 17 months in 2018 (compared to 10 months in 2017). Crushed rock applications took 19 months to get to determination in 2018 compared to 11 months in 2017.

However, once the planning application has been approved by the planning committee, the period it took to issue a planning consent reduced during 2018 to 8 months (14 in 2017) for sand and gravel, and 9 months (11 in 2017) for crushed rock.

Anecdotal evidence continues to suggest that a contributory factor to long periods can be local authority planning and legal staff resources and experience. The average time over 2006-18 for a permission to be issued is 30 months in total for sand and gravel, and 27 months for crushed rock. It is important to note though, that the permission phase represents just one part of a wider site development process that can take 10 to 15 years to complete.

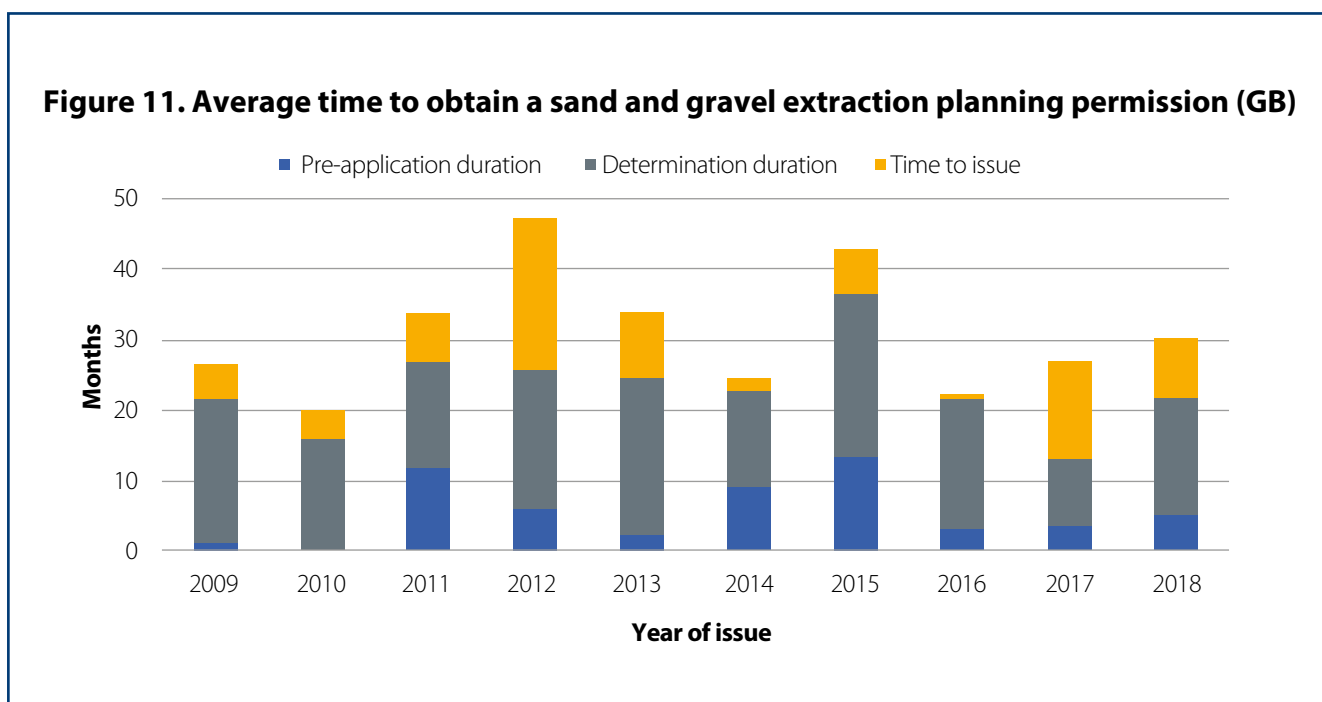
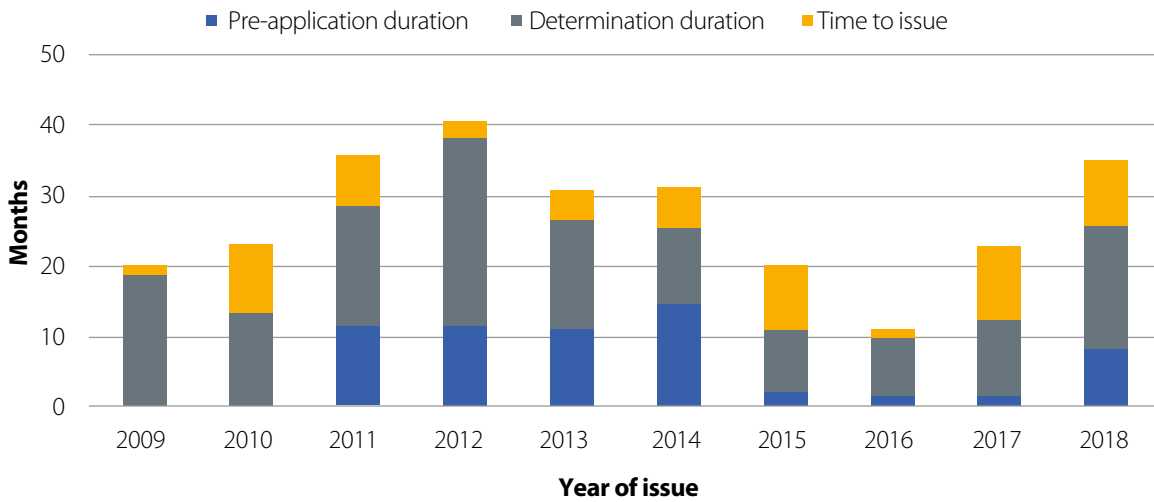


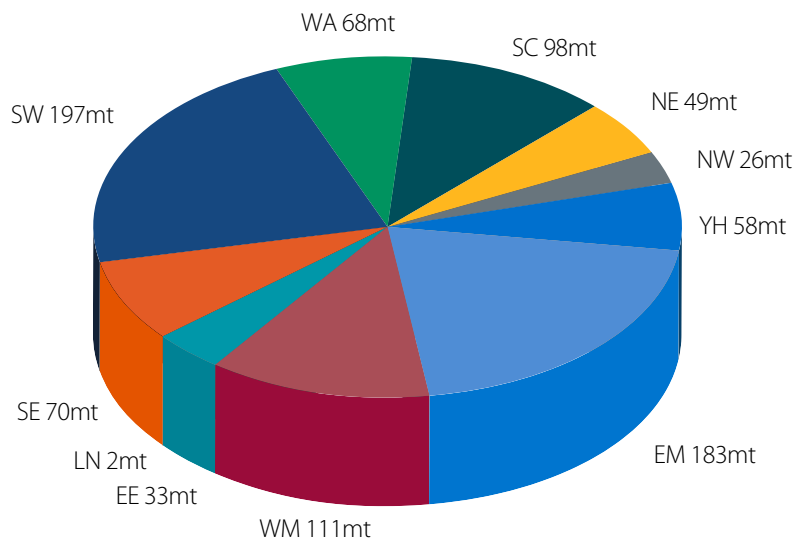
Figure 12. Average time to obtain a crushed rock extraction planning permission (GB)



3.3 SHARE OF NATIONAL PROVISION

Figure 13 shows the regional split of new permitted reserves over the past decade. With Glensanda reserves falling out of the 10-year average (the 414 million tonnes permission was issued in 2007), there is a gradual shift in new permitted reserves towards the Midlands and the South West, away from Scotland.

Figure 13. Regional tonnages approved for all land-won aggregates, 2009-18 (GB)



| Table 1: Metrics for Planning Authority Approvals*, Permissions Issued Only, during 2009-18 | | | | | |
|--|------------|------------------|------------|------------------|--------------|
| Material | SG | SG | CR | CR | Total |
| Type of site | New | Extension | New | Extension | All |
| No. of approvals | 21 | 111 | 0 | 52 | 184 |
| % of total GB | 11% | 60% | - | 28% | 100% |
| Tonnage approved (Mt) | 50 | 185 | 0 | 618 | 853 |
| % of total GB | 6% | 22% | - | 72% | 100% |
| Area covered (Ha) | 1,121 | 5,246 | 0 | 2,155 | 8,522 |
| % of total GB | 13% | 62% | - | 25% | 100% |
| Tonnage ('000) per approval | 2,387 | 1,669 | 0 | 11,886 | - |
| Tonnage ('000) per Ha approved | 45 | 35 | 0 | 287 | - |

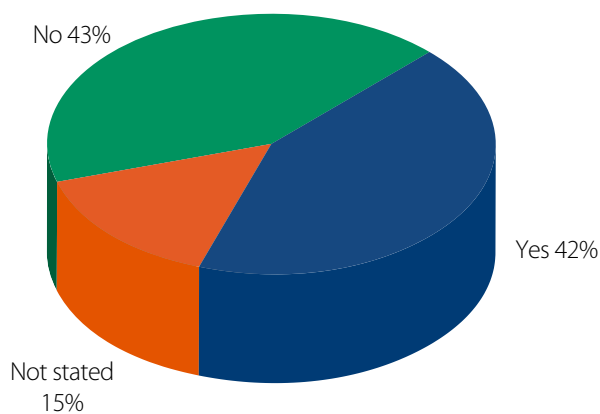
This table covers only a sub-sample of the survey responses, i.e. all returns that provide both tonnage and area information. It excludes returns that have either information missing.

SECTION FOUR – DEVELOPMENT PLANS

4.1 ALLOCATED VERSUS UNALLOCATED SITES

Figure 14 shows that for the period 2009-18, 43% of the permissions granted for extraction of minerals were not identified/allocated in an adopted Mineral Plan.

Figure 14. Local plan status for new land-won aggregates* permissions issued in GB, 2009-18

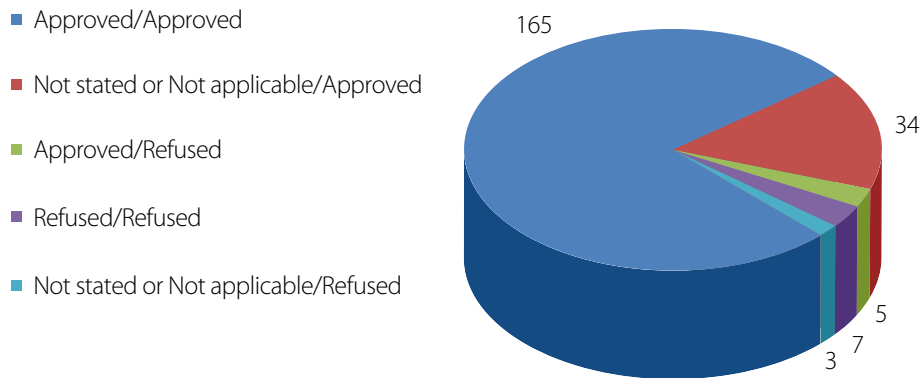


*Crushed rock and sand & gravel

4.2 PLANNING OFFICER RECOMMENDATIONS

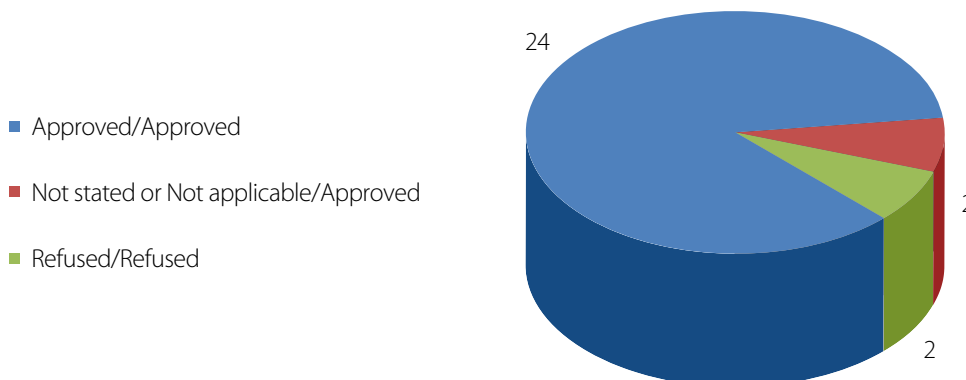
Of a total of 214 land-won aggregates applications for which a decision was issued during 2009-18, the MPA survey indicates that a relatively small number (15) were refused by committee, including at least 5 against officer's recommendation and 7 in accordance to officer's recommendation. No information was available regarding the planning officer's recommendation on the last 3 refused applications. For permissions issued over the period 2009 to 2018, 83% were issued following an officer's recommendation for approval. It seems likely that a high proportion of the remaining balance may also have had officer support.

Figure 15. Land-won aggregates applications issued during 2009-18 in GB: Officer recommendation/Committee decision



Focusing on 2018 applications only, the survey suggests that out of 28 applications decided during the year, 24 were approved in line with the planning officer's recommendation, a further 2 applications were approved by committee with no information available on the officer's recommendation, and 2 applications were refused by committee decision in line with officer's recommendation.

Figure 16. Land-won aggregates applications issued during 2018 in GB: Officer recommendation/Committee decision



*Government response to the draft revised National Planning Policy Framework consultation; A summary of consultation responses and the Government's view on the way forward MHCLG, July 2018

** Aggregate minerals survey for England and Wales, 2014 British Geological Survey, March 2016

***National and regional guidelines for aggregates provision in England 2005 to 2020 DCLG, June 2009



The Mineral Products Association is the trade association for the aggregates, asphalt, cement, concrete, dimension stone, lime, mortar and silica sand industries.

For further MPA information visit www.mineralproducts.org

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