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NIA Call for Evidence  
National Infrastructure Commission  
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Dear Sir/Madam

**NATIONAL INFRASTRUCTURE ASSESSMENT - CALL FOR EVIDENCE**

The Mineral Products Association (MPA) is the trade association for the aggregates, asphalt, cement, concrete, dimension stone, lime, mortar and silica sand industries. With the recent addition of British Precast and the British Association of Reinforcement (BAR), it has a growing membership of over 480 companies and is the sectoral voice for mineral products. MPA membership is made up of the vast majority of independent SME quarrying companies throughout the UK, as well as the 9-major international and global companies. It covers 100% of GB cement production, 90% of aggregates production, 95% of asphalt and over 70% of ready-mixed concrete and precast concrete production. Each year the industry supplies £20 billion worth of materials and services to the Economy and is the largest supplier to the construction industry, which has annual output valued at £144 billion. Industry production represents the largest materials flow in the UK economy and is also one of the largest manufacturing sectors.

Further to the consultation on the above document, we note that this is a call for all interested parties to submit *“evidence, ideas and solutions”*. We were largely supportive of the aspirations of the initial consultation; however, our comments appear to have gone awry and been overlooked in the NIC’s initial assessment of consultation responses. Our initial comments have therefore been attached below as Appendix 1.

In response to the current consultation, the UK infrastructure aspirations have the potential to have significant implications for the UK mineral products sector and mineral planning system.

As we move towards Brexit it is imperative that development in the UK, supports UK industry. The recent Hendry Review on the Role of Tidal Lagoons, which ran in parallel to the initial NIA consultation, recognised that *“the National Policy Statement process should also include an assessment of the sustainability of the main construction elements for a longer-term tidal lagoon programme”*. Further, Hendry also concluded that *“tidal lagoons would help deliver security of supply; they would assist in delivering our decarbonisation commitments; and they would bring real and substantial opportunities for the UK supply chain”*. (our underlining)

Tidal Lagoons would undoubtedly be considered as National Infrastructure Projects and the opportunities for UK supply chain for the wider scope of projects identified in the consultation document, are significant.

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The UK Government Procurement Policy Note: *Procuring Steel in Major Projects - Revised Guidance Action Note: PPN 11/16*, (13 December 2016), is a practical guide on how contracting authorities in both central government and the wider public sector can design their major projects (involving steel) to ensure best value for money by recognising relevant wider social and environmental benefits. The PPN applies to any major procurement project where steel is a critical component. There is no set value as to what constitutes a major procurement project, as this will differ between contracting authorities. However, the PPN states that major procurement projects are likely to include, but are not be limited to the following:-

- Infrastructure - such as rail and roads
- Construction - such as the building of and or refurbishment of prisons, hospitals, universities, housing, community centres, bridges and schools
- Flood defences
- Defence related projects (ensuring consistency with the Defence and Security Public Contracts Regulations 2011 as appropriate)
- Medical equipment
- Energy related projects - e.g. new nuclear technology

Such projects overlap with the nature of the projects identified in the current National Infrastructure consultation. Whether public or private infrastructure proposals are being considered, the Government's approach to steel is equally as applicable to the mineral products sector for National Infrastructure Projects and other major developments, to ensure the UK minerals industry can compete on a level playing field. The measures applied in this PPN 11/16 and the associated guidance are designed to ensure that government applies a more strategic and transparent approach to the sourcing of steel in major projects. Procurement decisions should always be made on a quality/cost/risk basis and whilst procurement will ultimately occur during the construction phase, the procurement strategy should be outlined at the earliest opportunity and considered during the permitting process. This would lead to better value for money, while helping to address any barriers that prevent UK suppliers from competing effectively and ultimately contributing to the UK's international competitiveness.

In order to realise the potential for indigenous supply, these essential supporting assets need to be factored in to the planning for the entire lifecycle of National Infrastructure Projects, so the needs and opportunities pre- and post- construction are fully considered. This will allow opportunities to improve the role of competition or collaboration in different areas of the supply of infrastructure services.

The Cardiff Bay Barrage is a good example of this, with the original £200m cost for the infrastructure leveraging a further £2.3 billion of public/private investment to redevelop and regenerate the Cardiff Bay area in following years. Scaled up (to say one of the larger Tidal Lagoons in the Bristol Channel), the demands on resources and skills could be considerable. However, these opportunities to unlock and compound the growth potential realised by national infrastructure will only be realised if they are fully accounted for in the wider policy and planning processes.

It is therefore important that National Infrastructure Projects are not considered in their own 'bubble', as appears to be the case at present. Currently, there appears to be a fundamental dislocation between infrastructure policy and the supporting policies for those activities (such as minerals and construction products) needed to support and enable the delivery of projects. To ensure that National Infrastructure Projects can be delivered effectively, the supporting activities required to ensure delivery have to

be identified. These activities then need to be given proper consideration so that the potential needs and opportunities can be considered in advance, along with any risks or gaps that may have to be addressed.

At present the unwritten assumption appears to be that if you create the demand for construction materials this demand will be met. While the UK undoubtedly has a rich and varied resource of indigenous construction minerals, in order for these to be realised in practice both the mineral products industry and the wider mineral planning system require greater visibility around what scale of demand is likely to be required by infrastructure projects to allow suitable provisions to be made alongside the existing base demands in the market. This forward planning should allow the most cost-effective and sustainable solutions to be put in place to support the delivery of infrastructure projects. Needless to say, this takes time and therefore needs to be planned in advance of, or at least in parallel to, the National Infrastructure Projects themselves.

It is important to recognise that mineral product resources are not evenly distributed around the country and that a considerable amount of inter-regional trade in materials already occurs to meet the base load demand for construction aggregates in the market. Consequently, it is likely that many areas of primary mineral supply will be required to support the demands from multiple National Infrastructure Projects. The timings of prospective individual infrastructure projects therefore need to be understood, so that both the anticipated total cumulative and annual peak demands can be determined in order for sufficient production capacity and associated transport/delivery infrastructure to be put in place. This will ensure the demand management can be fully considered.

The National Infrastructure process must be aligned with the mineral planning system and vice versa. The full and proper consideration of resource requirements for National Infrastructure Projects should form an inherent part of Mineral Local Plans and the Local Aggregates Assessment to ensure the timely delivery of the raw materials necessary. This will allow the aspiration for infrastructure to be designed, planned and delivered to create better places to live and work, to be fully considered from a spatial and time perspective at the earliest opportunity. It will also ensure that the planning system and infrastructure governance arrangements can be dovetailed to ensure infrastructure is delivered as efficiently as possible and on time. It is widely recognised that quarries offer significant opportunities for biodiversity net gain. This would allow infrastructure projects to effectively contribute to enhancing the natural environment. Quarry restoration schemes may also present opportunities for water storage and flood management allowing integration for certain National Infrastructure Projects identified within the consultation document.

We would welcome the opportunity to discuss the above matters with you further and look forward to hearing from you in due course.

Yours faithfully



Mr Nick Horsley  
Director of Planning, Industrial Minerals and MPA Wales



## **Mineral Products Association Response to National Infrastructure Commission consultation “The National Infrastructure Assessment - Process and Methodology” Introduction**

The Mineral Products Association (MPA) is the trade association for the aggregates, asphalt, cement, concrete, dimension stone, lime, mortar and silica sand industries. With the recent addition of British Precast and the British Association of Reinforcement (BAR), it has a growing membership of 480 companies and is the sectoral voice for mineral products. MPA membership is made up of the vast majority of independent SME quarrying companies throughout the UK, as well as the 9 major international and global companies. It covers 100% of GB cement production, 90% of aggregates production, 95% of asphalt and over 70% of ready-mixed concrete and precast concrete production. Each year the industry supplies £20 billion worth of materials and services to the Economy and is the largest supplier to the construction industry, which has annual output valued at £144 billion. Industry production represents the largest materials flow in the UK economy and is also one of the largest manufacturing sectors. (For more information, visit: [www.mineralproducts.org](http://www.mineralproducts.org) )

**Q1. The Government has given the National Infrastructure Commission objectives to:**

- **foster long-term and sustainable economic growth across all regions of the UK**
- **improve the UK’s international competitiveness**
- **improve the quality of life for those living in the UK**

**What issues do you think are particularly important to consider as the Commission works to this objective?**

We strongly support the aspirations of the document in seeking a long term and planned approach to the delivery of national infrastructure, even more so in a post Brexit climate. Akin to the development plan process where local authorities are responsible for local planning for periods for 15 years, it is not unreasonable for Central Government to consider Infrastructure planning for the 30 year period identified in paragraph 4. However, this programme must be a rolling programme with a formal and regular review built in to statute.

In putting society’s needs at the heart of Government Policy, it is important that the aspirations are accountability and achievable. Consideration must therefore be given to the management and sustainable utilisation of indigenous resources both human (skills) and natural (minerals and raw materials). Currently the process of considering infrastructure developments does not appear to take account of the interaction with other construction work and the impacts on key elements of the supply chain such as materials supply. The mineral planning system, managed through mineral planning authorities (generally Counties in England) aims to ensure adequate and steady supply of minerals for construction work and other applications, in accordance with the National Planning Policy Framework, but factoring in the potential demand and supply implications of major infrastructure projects into this process has proved problematic historically. There is an implicit assumption that whatever the materials demands

arising from major projects - they will be met. While this has been the case it cannot be guaranteed unless the demand implications of infrastructure projects are better factored into mineral planning and regulatory systems. As such there is a key requirement for early engagement between developers of infrastructure schemes, materials suppliers and the planning and regulatory authorities with regards to sustainable materials supply.

**Q2. Do you agree that, in undertaking the NIA, the Commission should be:**

- **Open, transparent and consultative**
- **Independent, objective and rigorous**
- **Forward looking, challenging established thinking**
- **Comprehensive, taking a whole system approach, understanding and studying interdependencies and feedbacks?**

**Are there any principles that should inform the way that the Commission produces the NIA that are missing?**

Yes, we agree that in undertaking the NIA, the Commission should meet the criteria identified above. In addition, the NIA must be accountable, particularly where decisions on infrastructure challenge or conflict with the local political agenda, in the interests of a wider society. A key aspect of the interdependence between infrastructure and other construction projects and the supply of mineral products and associated materials is set out in our response to Question 7 - Cross Cutting Issues.

**Q3. Do you agree that the NIA should cover these sectors in the way in which they are each described?**

Yes. However, as is all too often the case, the provision of raw materials has been overlooked. Each and every sector referred to is wholly reliant upon the provision of the minerals products derived from extracted raw materials. All built development, such as major energy proposals; transport infrastructure; and flood defences, is reliant upon the aggregate minerals extracted from the ground or dredged within UK waters. Further, the added value minerals products associated with water purification; agricultural land improvement; energy deliverability and digital technology must not be underestimated.

Individual projects need to give appropriate consideration to the resources required and collectively this should be considered in the NIA, in terms realising the potential for utilising indigenous resources. In addition, however, the NIA should not underestimate existing commitments of the minerals sector, any limitations in production capacity; inherent delays in the planning and regulatory regimes; and the surety to allow companies to invest in resource security and sustainable supply; increases in production capacity and ability to deliver to major projects. Moving forward as major infrastructure projects are delivered, these will inevitably trigger further growth and investment, which again influence the demand for raw materials.

**Q4. Are there particular aspects of infrastructure provision in these sectors which you think the NIA should focus on?**

Yes. As detailed above, the provision of indigenous raw materials and mineral products

**Q5. The NIA will seek to pull together infrastructure needs across sectors, recognising interdependencies. Are there are particular areas where you think such interdependencies are likely to be important?**

Yes. All projects will have an influence on raw material supply patterns, be this through the provision of borrow pits specific to individual developments such as transport infrastructure, or the consequences of importing raw materials from

distance, by a road or rail network which may already be at capacity, or where there is insufficient loading or discharge capacity through wharves or rail sidings which are put under ever increasing pressure through non compatible development encroachment. Further, major projects may give rise to a windfall of resources and the minerals products industry is appropriately placed to ensure a managed flow of resources in to the market.

**Q6. Do you agree that the NIA should focus on these cross-cutting issues?**

Yes.

**Q7. Are there any other cross-cutting issues that you think are particularly important?**

Yes. UK infrastructure ambitions have huge implications for the UK mineral products sector - with national resources being used to support national infrastructure. However, in order to realise this potential, these essential supporting assets need to be factored in to the planning for the entire lifecycle of projects, so the needs and opportunities pre- and post- construction are fully considered.

Cardiff Bay Barrage is a good example of this, with the original £200m cost for the infrastructure leveraging a further £2.3 billion of public/private investment to redevelop and regenerate the Cardiff Bay area in following years. Scaled up (to say one of the larger Tidal Lagoons in the Bristol Channel), the demands on resources and skills could be considerable. However, these opportunities to unlock and compound the growth potential realised by national infrastructure will only be realised if they are fully accounted for in the wider policy and planning processes and managed appropriately.

It is therefore important that national infrastructure projects are not considered in their own 'bubble', as appears to be the case at present. Currently, there appears to be a fundamental dislocation between infrastructure policy and the supporting policies for those activities (such as minerals and construction products) needed to support and enable the delivery of projects. To ensure that infrastructure projects can be delivered effectively, the supporting activities required to support delivery have to be identified. These activities then need to be given proper and timely consideration so that the potential needs and opportunities can be considered in advance, along with any risks or gaps that may have to be addressed.

At present the unwritten assumption appears to be that if you create the demand for construction materials this demand will be met. While the UK undoubtedly has a rich and varied resource of indigenous construction minerals, in order for these to be realised in practice both the mineral products industry and the wider mineral planning system require greater visibility around what scale of demand is likely to be required by infrastructure projects to allow suitable provisions to be made alongside the existing base demands in the market. This forward planning should ensure the most cost-effective and sustainable solutions can be put in place to support the delivery of infrastructure projects. Needless to say, this takes time and therefore needs to be planned in advance of, or at least in parallel to, the infrastructure projects themselves and considered during the consenting process.

It is important to recognise that mineral product resources are not evenly distributed around the country and that a considerable amount of inter-regional trade in materials already occurs to meet the base load demand for construction aggregates in the market. Consequently, it is likely that many areas of primary mineral supply will be required to support the demands from multiple infrastructure projects. The timings of prospective individual infrastructure projects therefore need to be understood, so that both the anticipated total cumulative and annual peak demands can be determined in order for sufficient production capacity and associated transport/delivery infrastructure to be put in place.

**Q8. Do you agree with this methodological approach to determine the needs and priorities?**

We agree with the general methodological approach but would raise one related issue. The consultation (paragraph 6.4) refers to the need to “appraise the quality and condition of the UK’s existing infrastructure assets” but it is not clear how the NIC could or should deal with infrastructure condition issues which are more related to revenue spending than capital budgets. For example, there is evidence that the condition of probably our most extensive infrastructure asset, the road network, is in poor condition in many parts of the UK. While the condition of the national road network in England is managed by one organisation, Highways England, and there is a specific regulatory regime operated by the Office for Road and Rail, there is no overview of the 95% plus of the network operated by numerous local highway authorities. Given that the quality of local road conditions is an issue of significance to virtually the entire population of the UK and has economic, social and environmental implications, it would seem appropriate for the NIC to have a role in assessing and, where necessary, improving the condition of the local road network. It does not seem to be a rational approach to invest in new and improved road capacity without a complementary focus on the quality of the existing network.

**Q9. Do you have examples of successful models which are particularly good at looking at long-term, complex strategic prioritisation in uncertain environments?**

No

**Q10. Do you believe the Commission has identified the most important infrastructure drivers (set out below)? Are there further areas the Commission should seek to examine within each of these drivers?**

These four drivers listed are very significant. However as indicated earlier there also needs to be a focus on supply chain issues including materials supply and capacity, the impact of land use and mineral planning and regulatory and permitting issues; and the effects these may have on the deliverability of any infrastructure project.

**Q11. The NIA will aim to set out a portfolio of investments that best meets the demands of the UK in the future. Do you have a view on the most appropriate methodology to determine that portfolio?**

No

**Q12. In your view, are there any relevant factors that have not been addressed by the Commission in its methodological approach?**

None other than comments made in this response.

**Q13. How best do you believe the Commission can engage with different parts of society to help build its evidence base and test its conclusions?**

Engagement with society on major developments has well established principles through the planning process and the development management procedures.

**General Comments**

In addition to the questions specific comments, we raise the following additional points for consideration.

Para 4 - Whilst it is appreciated that long-term planning requires detailed consideration, the timescales identified are less than ambitious in light of some of the critical decisions which need to be made on matters such as energy supply.

Para 18 - Again the timetable is far from ambitious. Further, it is imperative that the HM Treasury response takes full account of social and sustainability issues.

Paras 23 - It can equally be stated that politicians do not always take the long term view and simply focus on the life of parliament. This applies to both local and central government.

Parag 30 - It is imperative that the legislation has a statutory periodic review mechanism and appropriate safeguards to ensure projects are deliverable and accountable.

Para 38 - The absence of an ambitious timetable, i.e. by 2018 for the report to be published, will be compounded by the additional 12 months for Government to respond to the NIC, i.e. by 2019. There will be an election in 2020 and as such it is unlikely that much will be pursued within the life of this parliament.

Para 63 - We support the strategic thinking behind the NIA process.

Para 65 - We are pleased to see that interaction will be a fundamental part of the process.

Para 79 - We trust the Minerals Products Association will be consulted during the “call for Evidence” in Autumn 2016.

Para 80 - It is imperative that the Minerals Products Association is given the opportunity to be present at the roundtable meetings.

Para 82 - We trust the expert panel will consider raw material supply issues and the Mineral Products Association will have the opportunity to contribute to this work.



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