

## **CABINET – 19 DECEMBER 2017**

### **OXFORDSHIRE LOCAL AGGREGATE ASSESSMENT 2017**

#### **Report by Director for Planning & Place**

#### **Introduction**

1. Under the Government's National Planning Policy Framework, March 2012 (NPPF), the County Council must prepare an annual Local Aggregate Assessment (LAA). The LAA is a key part of the evidence base for the Minerals and Waste Local Plan. It establishes the amount of provision for mineral working that should be made in the plan, thereby providing a foundation for the minerals strategy and associated policies. It can also be a material consideration in the determination of planning applications. The first Oxfordshire LAA was approved by the Cabinet in November 2014 and published on the Council website. This remains the current Oxfordshire LAA.

#### **Revised Local Aggregate Assessment 2017**

2. The LAA 2014 was a key part of the evidence base for the Oxfordshire Minerals and Waste Local Plan: Part 1 – Core Strategy, which was adopted in September 2017. It was based on data up to the end of 2013 and was prepared with technical support from consultants LUC and Cuesta Consulting. It sets the basis for the amounts of provision to be made for the working of aggregate minerals in policy M2 of the Core Strategy.
3. A full revision of the LAA has not previously been carried out, mainly due to resources having to be focused on preparation and examination of the Core Strategy, but updated information on sales and reserves of aggregates in Oxfordshire for 2014, 2015 and 2016 has been collected and published on the Council website. Following the adoption of the Core Strategy, a revised LAA should now be produced, taking into account this more up to date information.
4. A draft revised LAA 2017 has been prepared by updating and amending the previous LAA 2014 and is attached as Annex 1.

#### **Local Aggregate Assessment 2014**

5. Government policy in the NPPF is that the starting point for the LAA is the 10-year sales average (of minerals extracted in the county) but that other relevant local information must also be considered. The LAA 2014 was prepared in accordance with this national policy.
6. Oxfordshire's aggregate mineral resources – sharp sand and gravel, soft sand and crushed rock (limestone) – are of strategic importance and serve not only local but also wider markets. The LAA 2014 set out the position of Oxfordshire

as a source and producer of aggregate minerals, including secondary and recycled materials, and provided a detailed analysis of the supply of aggregates in and to the county over the previous 10 years. It considered a number of factors affecting supply and demand, which were identified as other relevant local information that should be taken into account. It assessed each of these factors in terms of whether they justified deviation from the 10 year sales average figures.

7. The analysis of other relevant local information indicated that the Oxfordshire sales over the 10 year period under-represented the actual demand position. This was identified as being due to temporary commercial decisions to mothball quarries in Oxfordshire and concentrate production in other locations, particularly Gloucestershire (sharp sand and gravel) and Somerset (crushed rock). Consequently, Oxfordshire moved from being a net exporter of sand and gravel to being a net importer in 2009. This compounded the national decline in sales over the 10 year period that reflected the general reduction in demand for construction materials resulting from the recession.
8. In addition to the commercial decisions of quarry operators, the LAA 2014 identified the increased demand for aggregates expected to result from economic growth, population growth and housing construction, and major infrastructure projects and key developments as pointing to a need for future provision to be at a higher level than the 10 year sales average. The LAA 2014 therefore concluded that it would be unwise to rely solely on the 10 year sales average as a guide for future provision in Oxfordshire.
9. The consultants that advised the Council on the LAA 2014 acknowledged it was difficult to quantify the effect of future increased demand for aggregates on the levels of provision required, but they calculated upward adjustments of the 10 year (2003 – 2012) average sales figures for sharp sand and gravel and for crushed rock by relating past sales in Oxfordshire to those in England as a whole. For soft sand it was concluded that the 10 year sales average was the appropriate level. The resultant LAA 2014 levels are shown in the table that follows paragraph 14 below.
10. It was assumed that the increased demand for aggregates from expected growth in Oxfordshire would at least to some extent be accommodated by these adjustments but it was recognised that it is possible that future demand could exceed the adjusted levels. The LAA 2014 therefore recommended that provision for the Minerals and Waste Local Plan period (to 2031) was initially set at these adjusted levels but that actual sales are monitored annually and that, if new evidence indicates increased demand, these levels of provision be reviewed. This is in line with the NPPF policy for LAAs to be prepared annually and with requirements for local plans to be monitored regularly and reviewed when necessary.

#### **Draft Revised Local Aggregate Assessment 2017**

11. The draft revised LAA 2017 at Annex 1 includes updated information on sales of aggregates in Oxfordshire for 2014, 2015 and 2016. Over the 10 year

period used as a base for the LAA 2014, sales of minerals from Oxfordshire's quarries fell. In particular, sales of sharp sand and gravel fell 66% from 2004 to 2013. Since then, sales of sharp sand and gravel increased substantially in 2014 and 2015, although they were still below the LAA 2014 level, and then fell back again in 2016. The 10 year sales average for sharp sand and gravel has continued to fall, as the much higher levels of sales in the early 2000s have fallen out of the rolling 10 year period. However, the 3 year sales average has increased and, despite falling back, sales in 2016 were above the 10 year average and close to the 3 year average.

12. The decrease in sales of sharp sand and gravel in 2016 was mostly accounted for by a temporary cessation of working at one quarry (Bridge Farm) due to an operational issue. During that period the operator concerned made up supply by temporarily increasing imports from outside Oxfordshire. It is understood that this quarry is now back in full operation. An additional quarry (extension to Caversham) has come into operation in 2017 and it is likely that Oxfordshire's sales will have increased again this year.
13. Sales of soft sand in 2014 – 2016 were consistently above the 10 year sales average and LAA 2014 level. Sales of crushed rock in 2014 – 2016 were well above the LAA 2014 level and the 10 year sales average has increased.
14. The LAA 2014 levels, 2016 sales and current 10 year and 3 years sales averages for sharp sand and gravel, soft sand and crushed rock are set out for comparison in the table below. Detailed figures of sales over the period 2003 – 2016 are contained in Tables 3.1, 3.2 and 3.6 respectively in section 3 of the LAA at Annex 1.

Mineral Type	LAA 2014 level	Sales in 2016	10 year sales average 2007 – 2016	3 year sales average 2014 – 2016
All figures in million tonnes a year				
Sharp sand & gravel	1.015	0.651	0.595	0.686
Soft sand	0.189	0.227	0.184	0.230
Crushed rock	0.584	0.715	0.565	0.897

15. The draft revised LAA 2017 gives updated sales of recycled and secondary aggregates. Recorded sales dropped in 2014 but increased in 2015 and again in 2016. However, information is not complete as the survey only covers known fixed sites and not all operators responded to the survey. Total capacity at recycled and secondary aggregate production facilities in the county was over 1 million tonnes a year in 2016. Detailed figures are shown in Table 3.17 in section 3 and Table 2.7 in section 2 of the LAA at Annex 1.
16. The draft revised LAA 2017 also includes updated information on imports, exports and consumption of primary aggregates in Oxfordshire, with figures for 2014 now available. (Equivalent information on recycled and secondary

aggregates is not available.) This shows that between 2009 and 2014, exports of sand and gravel out of Oxfordshire increased and imports fell; and the county changed back to being a net exporter. For crushed rock, exports increased but imports increased to a greater extent, with the county continuing to be a significant net importer. Consumption of aggregates in Oxfordshire increased substantially. Detailed figures are shown in Table 3.10 and the subsequent tables in section 3 of the LAA at Annex 1.

17. Taking into account all the updated information, the draft revised LAA 2017 concludes that the analysis and conclusions in the LAA 2014 still hold. Expectations of increasing growth and development in Oxfordshire, and consequent demand for construction aggregates, have not diminished. Notwithstanding the fall in sales of sharp sand and gravel in 2016 and the further fall in the 10 year sales average, it is considered to be too early in the monitoring period for the Core Strategy to change to the LAA provision level. It is also considered to be too early to change the LAA provision levels for soft sand and crushed rock, notwithstanding the increases in sales since 2013.
18. The draft revised LAA 2017 sets out the permitted reserves at Oxfordshire's quarries at the end of 2016, in Tables 3.4 and 3.8 in section 3 of the LAA at Annex 1. Based on continued use of the LAA 2014 provision levels, the landbank of permitted reserves at the end of 2016 was:
  - Sharp sand and gravel – 11.2 years;
  - Soft sand – 7.1 years;
  - Crushed rock – 14.6 years.
19. Taking into account the permitted reserves at the end of 2016 and also sales in 2014, 2015 and 2016, on the basis that the LAA 2014 provision levels are carried forward into the revised LAA 2017 the remaining supply requirement for the period to 2031 that the Minerals and Waste Local Plan needs to make provision for are:
  - Sharp sand and gravel – 5.979 million tonnes;
  - Soft sand – 1.371 million tonnes (reduced to nil when further permissions in 2017 are included);
  - Crushed rock – no requirement.

### **Consultation with Aggregate Working Party**

20. The NPPF requires mineral planning authorities to participate in an Aggregate Working Party and to take the advice of that Working Party into account in preparing their LAA. The Council is a member of the South East Aggregate Working Party (SEEAWP), which includes all mineral planning authorities in the South East and representatives of the minerals industry. SEEAWP considered an earlier draft of the revised Oxfordshire LAA 2017, without the conclusions on LAA provision levels, at a meeting on 6 November. The advice of SEEAWP is that the current LAA rates are appropriate and should remain unchanged but that the issue should be monitored. In coming to this conclusion, SEEAWP particularly noted that “it would be premature to change the LAA rate for sharp sand and gravel based on reduced sales in a single year in the light of the recent adoption of the Mineral and Waste Local Plan

Core Strategy. It also took into consideration that the new reserves at Caversham had only just commenced working and that could increase sales.

21. In addition, the duty to co-operate introduced by the Localism Act 2011 applies to the preparation of the LAA since it supports the Minerals and Waste Local Plan. In addition to involvement in SEEAWP, regular engagement and discussion will continue with adjoining mineral planning authorities outside the SEEAWP area and with other, more distant authorities from which Oxfordshire imports significant quantities of aggregate. It is not expected that any significant new strategic issues will be raised at this stage, given that the Core Strategy has only recently been adopted.

### **Minerals and Waste Cabinet Advisory Group**

22. Revision of the LAA has been discussed at meetings of the Minerals and Waste Cabinet Advisory Group, initially on 27 September and then in greater depth on 23 November 2017.
23. The views of CAG members were divided. Some members disagreed with the officers' conclusions and in particular noted:
  - there has been a reduction in the use of extracted aggregates as there are alternative sources available such as marine aggregates;
  - more use is being made of recycled and secondary aggregates;
  - overall there is less gravel being used in building;
  - the usage requirement per house or per person needs to be known in order to make sense of using housing or population forecasts to forecast demand for gravel; and
  - continued use of the LAA 2014 figures is unjustifiable; the LAA 2014 level is 80% above the 10 year average and 70% above the 2016 sales figure and to stick with 1.015 mtpa when the 10 year average is 0.595 mtpa would be unbelievable.
24. The view of some other CAG members was that LAA figures should remain unchanged this year and the matter should be considered again next year, after a further period of monitoring of sales and other data.
25. In a vote at the 23 November meeting: four members supported the LAA 2017 being taken forward for Cabinet decision with the provision level figures unchanged, for review next year; two members were against this and wanted the figures to be reviewed now; and there was one abstention.

### **Conclusion**

26. Taking into account all the updated information, I consider that the approach and methodology used in the LAA 2014 continues to be robust and defensible and that the resultant analysis and conclusions continue to hold. Therefore, notwithstanding the fall in sales of sharp sand and gravel in 2016 and the further fall in the 10 year sales average, I believe that the provision levels in the LAA 2014 continue to be appropriate and that they should be carried forward in the revised LAA 2017. In my view these figures continue to provide

a sound basis for aggregate minerals provision in the Minerals and Waste Local Plan (as in the adopted Core Strategy) and also for calculating the Oxfordshire landbank. I therefore consider that the draft revised LAA 2017 at Annex 1 should be agreed and published as the Oxfordshire LAA for 2017.

### **Financial and Staff Implications**

27. The Minerals & Waste Plan is included within the work priorities of the Communities Directorate and is being progressed within the existing mainstream budget for the Council's minerals and waste policy function. In addition, a special reserve was created to help fund the abnormal costs of plan preparation (including the commissioning of specialist technical evidence studies) and independent examination. £122,000 remains in the reserve, for preparation of the Site Allocations plan. The LAA forms part of this work-stream and it does not raise any additional financial or staffing implications.

### **Equalities Implications**

28. None have been specifically identified.

### **Legal Implications**

29. Under the Planning and Compulsory Purchase Act 2004 (as amended) and the NPPF, the County Council is required to prepare, monitor and, as necessary, review a minerals and waste local plan. An annual LAA, as required by the NPPF, is an essential part of the evidence base for a "sound" minerals and waste local plan and is also needed to enable the plan to be monitored.

### **Risk Management**

30. Having an up to date and robust LAA in place is necessary for the effective monitoring of the adopted Core Strategy and to provide an indicator for when consideration needs to be given to review of the plan. It will assist the preparation of the Site Allocations plan including in helping the Council to demonstrate that the Core Strategy continues to provide a sound basis for it. It will be an important factor in the determination of planning applications for mineral working where the size of the landbank is a material consideration.

### **RECOMMENDATION**

31. **The Cabinet is RECOMMENDED to**
  - (a) **approve the Oxfordshire Local Aggregate Assessment 2017 at Annex 1 for use as the basis for provision for mineral working in the Oxfordshire Minerals and Waste Local Plan and for calculating the Oxfordshire landbank;**

- (b) authorise the Director for Planning and Place in consultation with the Cabinet Member for Environment to make any necessary minor corrections and amendments and publish the Oxfordshire Local Aggregate Assessment 2017 on the Council website.**

SUSAN HALLIWELL  
Director for Planning & Place

Background papers:

- i. Draft Oxfordshire Local Aggregate Assessment 2017, October 2017 as considered by the South East England Aggregate Working Party on 6 November 2017.
- ii. Letter and accompanying draft minute from the South East England Aggregate Working Party dated 2 December 2017 giving the advice of the Working Party on the draft Oxfordshire Local Aggregate Assessment 2017 as considered at its meeting on 6 November.

All background papers are kept in the Minerals and Waste Policy Team at County Hall, Oxford

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November 2017