Division(s):

CABINET – 20 NOVEMBER 2018

OXFORDSHIRE LOCAL AGGREGATE ASSESSMENT 2018

Report by Director for Planning & Place

Introduction

1. The National Planning Policy Framework, July 2018 (NPPF), states that mineral planning authorities should prepare an annual Local Aggregate Assessment (LAA). This requirement applies to the County Council. The first Oxfordshire LAA was prepared in 2014. The current Oxfordshire LAA was prepared in 2017 and was approved by Cabinet on 19 December 2017. The LAA 2014 and LAA 2017 are both available on the Council's website.

2. The LAA sets the level of provision to be made for future supply of sand and gravel and crushed rock from quarries in the county. The NPPF states the LAA should 'forecast future demand, based on a rolling average of 10 years' sales data and other relevant information, and an assessment of all supply options'. The LAA is used to determine the minerals 'landbank', which can be a material consideration in the determination of planning applications, and also the amounts of new mineral working to be provided for in the Minerals and Waste Local Plan.

Revised Local Aggregate Assessment 2018

3. The LAA 2014 was based on data up to the end of 2013. It was a key part of the evidence base for the Oxfordshire Minerals and Waste Local Plan, Part 1 – Core Strategy. The LAA 2014 provision level figures are incorporated in Policy M2 of the adopted Core Strategy, September 2017 (Core Strategy).

4. The first full revision of the LAA was carried out in 2017, following the adoption of the Core Strategy. This took into account more recent information on sales and reserves of aggregates in Oxfordshire for 2014, 2015 and 2016. The figures in the LAA 2017 are the same as in the LAA 2014.

5. More recent information, including sales and reserves of aggregate minerals in 2017, is now available. A revised LAA should now be produced taking into account this more up to date information.

6. Annual quarry sales figures for 2003 to 2017, the rolling 10 year sales averages and the latest 3 year sales average, with the LAA 2014 & LAA 2017 provision levels for comparison, are set out in Tables 1 and 2 of Annex 1. Sales of recycled and secondary aggregates are in Table 5. Annex 1 also gives information on current permitted reserves (Table 3) and landbanks (Table 4).

LAA 2014

7. 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 the NPPF March 2012, with technical support provided by consultants LUC and Cuesta Consulting. The revised NPPF July 2018 makes no material change to national policy on preparation of LAAs.

8. 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.

9. 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.

10. 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.

11. The consultants advising the Council 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 provision level figures were:

Sharp sand & gravel	1.015 million tonnes a year;
Soft sand	0.189 million tonnes a year;
Crushed rock	0.584 million tonnes a year.

12. 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 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 sales are monitored annually and, 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 requirements for local plans to be monitored regularly and reviewed when necessary.

LAA 2017

13. The LAA 2017 included updated information on sales of aggregates in Oxfordshire for 2014, 2015 and 2016. Over the 10 year period (2004 to 2013) used as a base for the LAA 2014, sales of minerals from Oxfordshire's quarries fell, including a 66% fall in sales of sharp sand and gravel. Sharp sand and gravel sales then increased substantially in 2014 and 2015 but fell back again in 2016. The 10 year sales average for sharp sand and gravel continued to fall, as the much higher levels of sales in the early 2000s fell out of the rolling 10 year period. However, the 3 year sales average increased and, despite falling back, sales in 2016 were above the 10 year average and close to the 3 year average.

14. 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, supply was made up by a temporary increase in imports from outside Oxfordshire.

15. 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 increased.

16. The LAA 2017 also included information for 2014 on imports, exports and consumption of primary aggregates in Oxfordshire. This showed 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.

17. Taking into account all the updated information, the LAA 2017 concluded that the analysis and conclusions in the LAA 2014 still held. Expectations of increasing growth and development in Oxfordshire, and consequent demand for construction aggregates, had not diminished. There had been no significant change in supply of secondary and recycled aggregates. Notwithstanding the fall in sales of sharp sand and gravel in 2016 and the further fall in the 10 year sales average, it was considered to be too early in the Core Strategy monitoring period to change the LAA provision level. It was 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.

LAA 2018 – New Information

18. The 2017 Oxfordshire aggregate quarry sales and reserves by mineral type are set out in Annex 1. Table 2 shows the rolled forward 10 year and 3 year sales averages, with the current LAA 2017 figures for comparison.

19. Sales of sharp sand and gravel increased in 2017 but were still below the LAA level; and there was a further slight fall in the 10 year sales average. The 3 year average increased and is significantly higher than the 10 year average.

20. Sales of soft sand increased in 2017 to the highest level since 2004. The 10 year sales average is now just above the LAA level and the 3 year average is well above it. Sales of crushed rock also increased in 2017 and the 10 year average is now almost the same as the LAA level. The 3 year average fell slightly but is still much higher than the LAA level.

21. Sales of recycled and secondary aggregates recorded in the survey fell in 2017 to 417,000 tonnes, following increases in 2015 and 2016, but it is believed this reflects a reduced level of response to the survey rather than an actual decrease. Also, the survey only covers known fixed sites and therefore does not capture all production of recycled aggregate. Total capacity at recycled and secondary aggregate production facilities in the county was recorded as 812,000 tonnes a year in 2016 but it is believed to be over 1 million tonnes a year, as estimated in 2016.

22. Sales of crushed rock through rail depots (of rock imported into Oxfordshire by rail) increased slightly in 2017 and were generally in line with levels over the previous 3 years. The 2017 Aggregates Monitoring Survey did not otherwise include movements of aggregates between mineral planning authorities. The most up to date information on imports and exports of aggregates remains that from the 2014 survey, as included in the LAA 2017. There is no other evidence of significant change in import and export factors.

23. There is no evidence of significant change in factors that could affect the supply of aggregates in Oxfordshire over the plan period, including continued availability of primary land-based resources and reserves and ongoing availability of secondary and recycled materials and plant capacity to supply them. Bridge Farm Quarry was back in full operation in 2017; and the extension to Caversham Quarry commenced operation towards the end of 2017 and full operation in 2018 is expected to enable a further increase in sharp sand and gravel sales. The permitted reserve at Stonehenge Farm, Stanton Harcourt still remain to be worked; and (subject to completion of a legal agreement and issuing of planning permission) the new quarry site at New Barn Farm, Cholsey awaits implementation.

24. There is also no evidence of significant change since last year in the factors that could affect demand for aggregate minerals in Oxfordshire over the plan period, including: economic growth; population growth and house construction; major infrastructure projects and key developments. These all still point

towards a continuation in the general trend of increasing demand for aggregate minerals for construction.

LAA 2018 – Main Issues

25. The key issue to be considered is whether the provision level figures in the current LAA 2017 should be changed in the revised LAA in the light of new information, in particular the sales of aggregate minerals in 2017.

26. Whilst sales of sharp sand and gravel in 2017 were still below the LAA level and there was a further slight decrease in the 10 year sales average, the generally upward trend in sales was continued. The 3 year sales average increased and was 23% higher than the 10 year average, although still below the LAA level. There is no significant evidence to suggest that supply will not continue to increase in response to rising demand.

27. The conclusion in the LAA 2017 was that, notwithstanding a decrease in sharp sand and gravel sales in 2016, the provision levels in the LAA 2014 continued to be appropriate. On the basis of the information now available for 2017, I consider that the same conclusion should be reached in the LAA 2018. In my view, from the evidence currently available a change to the LAA provision level figure for sharp sand and gravel at this time would not be justified. However, the situation should continue to be monitored and the possible need for review of the figure considered annually.

28. The continued increase in sales of soft sand and crushed rock, at levels above the LAA provision level figures, could indicate a need to increase the LAA levels in respect of these minerals. However, as concluded in 2017, I consider it is still too early in the Core Strategy monitoring period to change the LAA provision levels for soft sand and crushed rock, but that the situation should continue to be monitored and the possible need for review of the figures considered annually.

29. Any change to the LAA provision level figures would affect the calculation of the landbank. It would also signal a need to consider review of policy M2 in the Minerals and Waste Local Plan, Part 1 – Core Strategy, as it includes the current LAA figures. The Core Strategy was adopted in September 2017 and the LAA was considered in depth by the Inspector who examined the plan, including a whole day of the hearing sessions in September 2016. A review of policy M2 would have implications for preparation of Part 2 of the Plan, the Site Allocations Plan, as the figures in policy M2 set the amount of provision required in the site allocations.

30. Table 3 of Annex 1 sets out the permitted reserves at Oxfordshire's quarries at the end of 2017. Table 4 shows that, based on the current LAA 2017 provision levels, the landbank of permitted reserves at the end of 2017 was:

Sharp sand & gravel	10.6 years;
Soft sand	16.4 years;
Crushed rock	16.0 years.

31. Taking into account permitted reserves at the end of 2017 and permissions granted so far during 2018, and also sales in the years 2014 to 2017, based on the annual provision figures in policy M2 of the Core Strategy (i.e. the current LAA 2017 provision levels) the remaining supply requirements for the period 2014 to 2031 that the Minerals and Waste Local Plan needs to make provision for through allocations in the Sites Plan currently are:

Sharp sand & gravel	5.354 million tonnes;
Soft sand	no requirement;
Crushed rock	no requirement.

Consultation

32. The NPPF states that mineral planning authorities should participate in an Aggregate Working Party and take the advice of that Working Party into account in preparing their LAA. The Council is a member of the South East England Aggregate Working Party (SEEAWP), which includes all mineral planning authorities in the South East and representatives of the minerals industry. SEEAWP is due to consider a draft of the Oxfordshire LAA 2018 at a meeting on 19 November. The advice of SEEAWP will be reported orally at the meeting.

33. 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 both within and outside the SEEAWP area and with other, more distant authorities from which Oxfordshire imports significant quantities of aggregate.

34. There is no requirement for wider consultation on LAAs. Public consultation was not carried out in the preparation of the LAA 2017, nor for the previous LAA 2014 (except as part of pre-submission consultation on the Core Strategy), although the earlier (pre-LAA) Local Assessment of Aggregate Supply Requirements, 2011 was the subject of consultation. The Council's Revised Oxfordshire Statement of Community Involvement, March 2015 does not include any specific requirement for consultation on LAAs. The LAA is not part of the Minerals and Waste Local Plan although it is an important part of the evidence base for the plan. The LAA 2014 was critical to the preparation of the Core Strategy (Part 1 of the Plan) but the Sites Plan (Part 2 of the Plan) depends on the policies of the Core Strategy to determine the provision to be made in site allocations and the updated LAA will not directly affect this.

Minerals and Waste Cabinet Advisory Group

35. Preparation of the LAA 2018 was discussed at a meeting of the Minerals and Waste Cabinet Advisory Group on 15 October 2018.

36. The views of CAG members were divided. Five members agreed with the views of officers that the LAA provision levels should remain unchanged from

those in the current LAA 2017 but they recognised there is concern about the level for sharp sand and gravel and thought it is important that there continues to be annual monitoring and review of the figures. Two members disagreed and considered that the LAA provision level for sharp sand and gravel should be reduced to around 0.8 million tonnes a year.

Conclusion

37. My view is that the LAA provision levels in the LAA 2018 should be unchanged from those in the current LAA 2017, as set out in paragraph 12 above.

38. 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 the resultant analysis and conclusions still hold. Cabinet concluded in December 2017 that the LAA 2014 figures continued to be appropriate and should be carried forward in the revised LAA 2017, notwithstanding the fall in sales of sharp sand and gravel in 2016. The subsequent increase in sharp sand gravel sales in 2017 would seem to bear out that conclusion.

39. In my view, based on the evidence available, including the new information for 2017, a change to the LAA provision level figure for sharp sand and gravel at this time would not be justified; and it is still too early in the Core Strategy monitoring period to change the LAA provision levels for soft sand and crushed rock. I therefore consider that the 2014/2017 LAA 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. However, the situation should continue to be monitored and the possible need for review of the figures considered annually.

40. The previous LAA 2017 has been updated and amended to produce a draft revised LAA 2018, with the provision level figures unchanged. This draft is not yet complete but has been provided to SEEAWP for consideration at its meeting on 19 November. This draft is available in the Members' Resource Centre. I consider that this draft revised LAA 2017 should be used as the basis for the Oxfordshire LAA 2018, for publication when it has been finalised by the Director for Planning & Place.

Financial and Staff Implications

41. The Minerals & Waste Plan is included within the work priorities of the Communities Directorate and is in part being progressed within the existing mainstream budget for the Council's minerals and waste policy function. The budget has been increased by £50,000 this year to fund the abnormal costs of plan preparation (including the commissioning of specialist technical evidence studies). Further increases will be required in 2019/20 and 2020/21, in particular to provide the funding required to take the plan through examination and to adoption. The LAA forms part of this work-stream and it does not raise any additional financial or staff implications.

Equalities Implications

42. None have been specifically identified.

Legal Implications

43. Under the Planning and Compulsory Purchase Act 2004 (as amended) and the NPPF, the 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. Under the Localism Act 2011, the Council is required to meet the duty to cooperate in the preparation of local plans and related activities in relation to strategic matters.

Risk Management

44. 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

45. The Cabinet is **RECOMMENDED**, subject to consideration of any advice from the South East England Aggregate Working Party, to

(a) approve the inclusion of the provision level figures in paragraph 11 of the above report in the Oxfordshire Local Aggregate Assessment 2018 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 finalise the Oxfordshire Local Aggregate Assessment 2018 and to publish it on the Council website.

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Annex: Aggregates Monitoring Surveys - Quarry Sales and Reserves in Oxfordshire 2003 – 2017
Background papers: None

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Annex 1

Aggregates Monitoring Surveys
Quarry Sales and Reserves in Oxfordshire 2003 – 2017

Figures for Oxfordshire on sales of aggregate minerals from quarries and permitted reserves at quarries for 2017 are now available from the Aggregates Monitoring Survey 2017 for the South East England Aggregate Working Party (SEEAWP). These are shown in tables 1 and 3, with the figures for 2016 included for comparison.

Using the 2017 sales figures, the 10 year rolling averages of sales from quarries have been recalculated, for the 10 year period 2008 – 2017, as shown in Table 2. The five previous 10 year sales averages for shown for comparison. Recalculated 3 year rolling averages of sales for 2015 – 2017 are also shown, with the previous 3 year average for comparison. Table 2 also shows the (current) LAA 2014 & 2017 provision figures.

The landbank at the end of 2017 based on the Local Aggregate Assessment 2017 (LAA) provision levels is shown in table 4, with equivalent 'landbank' figures based on the 10 year and 3 year sales averages included for comparison.

Table 5 shows sales of recycled and secondary aggregates for the years 2008 to 2017.

The 2017 survey did not include the destination of sales of aggregate minerals from quarries. Information on movements of aggregates into and out of Oxfordshire from the 2014 Aggregate Minerals Survey for England and Wales, which has been collated nationally by the British Geological Survey for DCLG, is included in the LAA 2017.

Table 1: Oxfordshire Quarry Sales 2017 (*with 2016 for comparison*)

Mineral	***Sales in 2016 (tonnes)***	**Sales in 2017 (tonnes)**	**Change 2016 to 2017**
Soft Sand	*227,329*	**251,298**	+11%
Sharp Sand & Gravel	*651,418*	**702,809**	+8%
Total Sand & Gravel	*878,747*	**954,107**	+9%
Crushed Rock	*715,407*	**866,849**	+21%
Total Aggregate	*1,594,154*	**1,820,956**	+14%

Table 2: Oxfordshire Quarry Sales and 10 Year Sales Averages 2003-2017

Year	Soft Sand (m. tonnes)	Sharp Sand & Gravel (m. tonnes)	Total Sand & Gravel (m. tonnes)	Crushed Rock (m. tonnes)	Total Aggregate (m. tonnes)
2003	0.234	1.372	1.606	0.629	2.235
2004	0.295	1.184	1.479	0.557	2.036
2005	0.199	1.090	1.289	0.564	1.853
2006	0.183	0.983	1.166	0.495	1.661
2007	0.166	0.893	1.059	0.717	1.776
2008	0.151	0.629	0.780	0.543	1.323
2009	0.165	0.462	0.627	0.363	0.990
2010	0.142	0.455	0.597	0.272	0.869
2011	0.201	0.489	0.690	0.322	1.012
2012	0.155	0.559	0.714	0.242	0.956
2013	0.165	0.401	0.566	0.502	1.068
2014	0.230	0.639	0.869	1.061	1.930
2015	0.233	0.768	1.001	0.914	1.915
2016	0.227	0.651	0.879	0.715	1.594
2017	0.251	0.703	0.954	0.867	1.821
10 year average 2003-2012	0.189	0.812	1.001	0.470	1.471
10 year average 2004-2013	0.182	0.715	0.897	0.458	1.355
10 year average 2005-2014	0.176	0.660	0.836	0.508	1.344
10 year average 2006-2015	0.179	0.628	0.807	0.543	1.350
10 year average 2007-2016	0.184	0.595	0.779	0.565	1.344
10 year average 2008-2017	0.192	0.576	0.768	0.580	1.348
3 year average 2014-2016	0.230	0.686	0.916	0.897	1.813
3 year average 2015-2017	0.237	0.707	0.945	0.832	1.777
LAA 2014 & 2017 provision figures	0.189	1.015	1.204	0.584	1.788

Table 3: Permissions Granted in 2017 and Permitted Reserves at Oxfordshire Quarries at end 2017 (*with 2016 for comparison*)

Mineral	*Reserves at 31.12 2016 (m. tonnes)*	Permitted in 2017 (m. tonnes)	Reserves at 31.12.2017 (m. tonnes)
Soft Sand	*1.341 mt*	2.015 mt	**3.105 mt**
Sharp Sand & Gravel	*11.383 mt*	0 mt	**10.805 mt**
Total Sand & Gravel	*12.724 mt*	2.015 mt	**13.910 mt**
Crushed Rock	*8.545 mt*	0.6 mt	**9.318 mt**
Total Aggregate	*21.269 mt*	2.615 mt	**23.228 mt**

Notes: Reserves permitted in 2017 include: 0.415 mt soft sand at Duns Tew Quarry (permitted 08.05.17); and 1.6 mt soft sand and 0.6 mt crushed rock at Bowling Green Farm Quarry (permitted 16.06.17).
Reserves at end of 2017 do not include permissions granted since 31.12.2017 (to 24.10.18): 0.5 mt sharp sand & gravel at Bridge Farm Sutton Courtenay Quarry (permitted 01.06.18).

Table 4: Oxfordshire Landbank at end of 2017

Permitted Reserves at 31.12.2017 by Mineral	Landbank based on LAA 2017 provision figures	*'Landbank' based on 10 years sales average (2008-2017)*	*'Landbank' based on last 3 years sales average (2015-2017)*
Soft Sand – 3.105 m. tonnes	**16.4 years at 0.189 mtpa**	*16.2 years at 0.192 mtpa*	*13.1 years at 0.237 mtpa*
Sharp Sand & Gravel – 10.805 m. tonnes	**10.6 years at 1.015 mtpa**	*18.8 years at 0.576 mtpa*	*15.3 years at 0.707 mtpa*
Total Sand & Gravel – 13.910 m. tonnes	**11.6 years at 1.204 mtpa**	*18.1 years at 0.768 mtpa*	*14.7 years at 0.945 mtpa*
Crushed Rock – 9.318 m. tonnes	**16.0 years at 0.584 mtpa**	*16.1 years at 0.580 mtpa*	*11.2 years at 0.832 mtpa*
Total Aggregate – 23.228 m. tonnes	**13.0 years at 1.788 mtpa**	*17.2 years at 1.348 mtpa*	*13.1 years at 1.777 mtpa*

Note: The national Planning Practice Guidance states that the landbank is the sum of all permitted reserves divided by the annual rate of future demand based on the latest annual Local Aggregate Assessment.

Table 5: Secondary and Recycled Aggregates Sales in Oxfordshire 2008-2017

Year	Sales (m. tonnes)
2008	0.503
2009	0.286
2010	0.152
2011	0.236
2012	0.466
2013	0.422
2014	0.271
2015	0.453
2016	0.534
2017	0.417

Note: Sales figures are from SEEAWP Aggregates Monitoring Surveys. These surveys only cover known fixed sites and therefore do not capture production from all sites. The level of response from site operators to the surveys varies but has never been complete. Therefore, these sales figures are almost certainly under-recorded.

Oxfordshire County Council
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