

**Local Aggregates Assessments:**

**Supplementary Guidance**

**South East England Aggregates Working Party (SEEAWP)**

**SEEAWP 2019**

In April 2015 the Planning Officers Society (POS) and the Mineral Products Association (MPA) published revised guidance on Local Aggregates Assessments (LAAs). This Guidance is a living document, with Revised Guidance most recently issued in May 2017.

The South East of England mineral planning authorities now have several years of experience of preparing LAAs. The Supplementary Guidance is intended to add to the POS/MPA Guidance to take account of practice that the South East of England Aggregates Working Party (SEEAWP) consider add value to LAAs.

The Supplementary Guidance generally follows the structure of the POS/MPA guidance to assist with comparisons. It was adopted by SEEAWP at its meeting on 27 June 2019.

## 1. Background

1.1 Since the publication of the POS/MPA revised guidance a revised National Planning Policy Framework was released in July 2018. In the minerals section the now para 207 states that minerals planning authorities should plan for a steady and adequate supply of aggregates by:

- a) *preparing an annual Local Aggregate Assessment, either individually or jointly, to forecast future demand, based on a rolling average of 10 years' sales data and other relevant local information, and an assessment of all supply options (including marine dredged, secondary and recycled sources);*
- b) *participating in the operation of an Aggregate Working Party and taking the advice of that party into account when preparing their Local Aggregate Assessment;*
- c) *making provision for the land-won and other elements of their Local Aggregate Assessment in their mineral plans, taking account of the advice of the Aggregate Working Parties .....*

1.2 The Planning Practice Guidance (PPG) advises that a LAA should contain three elements:

- *a forecast of the demand for aggregates based on both the rolling average of 10-years sales data and other relevant local information;*
- *an analysis of all aggregate supply options, as indicated by landbanks, mineral plan allocations and capacity data e.g. marine licences for marine aggregate extraction, recycled aggregates and the potential throughputs from wharves. This analysis should be informed by planning information, the aggregate industry and other bodies such as local enterprise partnerships; and*
- *an assessment of the balance between demand and supply, and the economic and environmental opportunities and constraints that might influence the situation. It should conclude if there is a shortage or a surplus of supply and, if the former, how this is being addressed.*

## 2. Preparing a LAA

2.1 The POS/ MPA Guidance advises that there should be consistency at least in presentation across all LAAs so that regional and national comparisons can be made. The Supplementary Guidance endorses this - as a consistent approach helps the scrutiny process SEEAWP has to undertake. It is also important that the South East LAAs are prepared annually and be as simple as it is possible without compromising the presentation of essential information and the quality of informed judgements.

- 2.2 To assist this, an Executive Summary that includes the critical findings of the LAA and a “dashboard” of relevant data should be included in all LAAs. The Supplementary Guidance suggests some changes from that advised and/or practised hitherto.
- 2.3 A template for the Executive Summary and “dashboard” is included in Appendix 1.

### 3. Demand

- 3.1 The National and Regional Aggregate Guidelines<sup>1</sup> have in the past been used as a means to indicate the demand for aggregates. The current Guidelines expire in 2020 and are no longer helpful for both mineral planning authorities and Aggregate Working Parties, and there is no indication these will be updated in the near future. Current Government guidance as set out in the NPPF is that mineral planning authorities should plan for a steady and adequate supply of aggregates based on a rolling average of 10-years of aggregates sales data and other relevant local information.
- 3.2 However, it would be helpful if all mineral planning authorities when preparing their LAAs applied an agreed common set of considerations. This would contribute to the transparency of the LAA process and provide a robust defence against challenge. It is therefore, suggested that all the LAAs should take into account the following:
- Average of 10-years of aggregates sales data
  - Average of 3-years of aggregates sales data;
  - Economic forecasts;
  - Population, housing and capital programme growth and;
  - Major Infrastructure projects

#### **Average of 10-years of aggregates sales data**

- 3.3 An average 10-years of aggregate sales data on soft sand, sharp sand and gravel and crushed rock from quarries and other aggregates infrastructure sites (wharves, rail depots and recycled/secondary sites) will provide mineral planning authorities with a starting point to estimate overall aggregates demand. However, it is generally recognised that the 10-year average sales basis for estimating LAA Rates<sup>2</sup> has limitations. By its very nature it is a historic perspective on aggregate sales and though it has virtue in its simplicity, on its own gives no indication of future trends.

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<sup>1</sup> National and Regional Aggregate Guidelines:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/7763/aggregatesprovisi on2020.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7763/aggregatesprovisi on2020.pdf)

<sup>2</sup> See 3.8/ footnote<sup>6</sup>

### **Average of 3-years of aggregates sales data**

- 3.4 The rolling 3-year average aggregate sales should invariably be given some consideration by mineral planning authorities. Again, it is a historic perspective but it provides an indication of more recent sales, which if taken with the 10-year averages could provide an indication of sales trends. It may also, in some cases, be better at reflecting specific local circumstances and patterns, such as the commissioning or decommissioning of sites than a 10-year estimate.

### **Economic Forecasts**

- 3.5 Some mineral planning authorities have examined a variety of national 'economic' statistics<sup>3</sup> to establish a framework for indicating future trends of aggregates demand. In the absence of other information, particularly regional economic and industry forecasts, these may be helpful. However, the MPA have recently published<sup>4</sup> regional profiles which are intended to be regularly updated. The regional construction outlook for the South East indicates an annual growth rate of 1.1% for the five years 2018-2022. This is equivalent to 5.5% and 11.45% growth over five and ten years respectively. It is unlikely that a better sub-national forecast will be available in the near future, so it could be used as an 'indicator' for indicating future aggregates demand. Notwithstanding this, they are regional estimates, which might obscure local variations.

### **Population, Housing and Capital Programme Growth**

- 3.6 Some mineral planning authorities have taken into account local demographic and planned development and capital programmes to provide an indication of potential changes from the present 'business as usual' situation. Some mineral planning authorities have taken into account housing figures combined with the relevant Strategic Housing Market Assessment (SHMA) that are co-related with the MPA assumptions on estimated aggregates use per house<sup>5</sup> to provide aggregate demand data. Although these estimates only consider part of the aggregates market, if taken with other information, such as capital programmes, they might provide a local perspective on future change.

### **Major Infrastructure Projects.**

- 3.7 It is common for LAAs to feature a list of major infrastructure projects, and some areas have an 'infrastructure strategy' which provides a broader picture of demand. As a rule of thumb, account should be taken of projects within a 30-50 mile range of the mineral planning authority that could directly or

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<sup>3</sup> These have included the construction industry and economic forecasts published by the Construction Products Association, Price Waterhouse Coopers, Office for National Statistics, HM Treasury and the Office for Budget Responsibility

<sup>4</sup> Construction & Markets – South East (MPA)

<sup>5</sup> [https://mineralproducts.org/iss\\_industry01.htm](https://mineralproducts.org/iss_industry01.htm)

indirectly affect 'business as usual' sales. Although these projects, often do not provide details until the contract tendering stage on aggregates requirements and supply they are helpful in providing some context for estimating future demand.

## **Conclusion**

- 3.8 Whilst the 10-year sales average is a useful starting point, every LAA should include a rigorous and transparent examination of how 'other relevant local information' may affect the 10-year sales averages for all sources of aggregates (quarries, wharves, rail depots and recycled/secondary sites). The conclusion will be the **LAA Rates**<sup>6</sup> for the current assessment, which however, should be reviewed every time an LAA is prepared.

## **4. Supply**

- 4.1 All LAAs should include an examination of the full range of current and potential supply options for the aggregates market. For aggregates infrastructure; recycled and secondary aggregates sites and wharves and rail depots potential supply will be based on the operator estimates of capacity (tonnage per year). Quarry potential is based initially on the landbank in terms of years, modified by constraints that may affect throughput and production capacity.

### **Recycled and secondary aggregates sites**

- 4.2 Data quality on current aggregates sales from these facilities is variable and mineral planning authorities invest resources in obtaining the information when undertaking the AM surveys. More reliable information is now available, although this is usually limited to the 'fixed' sites. Ideally, some allowance should be made for recycled aggregates entering the market from other sites, but without reliable information this cannot be estimated with any degree of confidence.
- 4.3 An alternative approach, would be to assume 30% of all aggregates sales originate from recycled and secondary aggregate sites as stated in the recent MPA<sup>7</sup> report. This proportion has been assumed by industry for some years at the GB level. However, it is acknowledged there is lots of variation that depends on type of construction activity occurring and amount of hard demolition waste available
- 4.4 Estimating capacity of recycled and secondary aggregate facilities has challenges. Reliance on Environment Agency environmental permit's limits, is likely to lead to over-estimates as these are generally over generous and based on environmental criteria rather than production capability. In addition,

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<sup>6</sup> The LAA rates must be distinguished from 'the mineral plan rates' used to estimate the requirement for mineral sites, 'preferred areas' and 'areas of search'. The LAA rates may inform the plan rates but they will not necessarily be the same.

<sup>7</sup> Construction and Markets – South East MPA: Mineral Products Association - November 2018

not all the throughput of sites is likely to be suitable for use as an aggregate. Moreover, not all recycled aggregate is produced by the 'permitted' sites. Perhaps up to a third originates from 'exempt' sites and though this proportion could be factored into the capacity estimate it is likely to vary between mineral planning authorities.

### **Aggregate wharves**

- 4.5 Aggregate wharves are an important feature in the aggregates supply to the South East, principally for marine sourced sharp sand and gravel, but also some imported crushed rock. The AM surveys comprehensively cover aggregate sales at wharves, and account should also be taken of 'landings' provided by the Crown Estate. Recently the Crown Estate has offered to provide this information for each 'county' and this information could provide a check on the AM information.
- 4.6 LAAs should address the likelihood of maintaining marine sourced aggregates. The Crown Estate reports<sup>8</sup> conclusions are included in the AM reports and can thus be relied on.
- 4.7 A more difficult judgement that has to be made is on the 'operational' capacity of wharves as the information from wharf operators is variable. However, an agreed understanding about overall potential wharf capacity i.e. the combined potential tonnage to handle all aggregates, is important.

### **Imports/exports**

- 4.8 Although the South East is a net importer of aggregates there are local interregional outward flows. There are also intra-regional flows. The national collation of AM 2014 survey is the latest set of comprehensive data and there is no certainty this will be updated. Nevertheless, many mineral planning authorities have an understanding of how other areas have a dependency on supplies from their own quarries, wharves etc. and vice versa. Although robust public data may not be available, these aggregate movements should be referenced in the relevant LAAs and an understanding between relevant mineral planning authorities on how these supply relationships might develop should be noted. These might be covered by Statements of Common Ground.
- 4.9 Significant quantities of imported crushed rock along with some sand and gravel and recycled/secondary aggregates are sold in the South East from rail depots and some of the wharves. The principal sources for the rail imports are Leicestershire and Somerset and SEEAWP monitors the LAAs from these mineral planning authorities and its findings can be included in LAAs. As with the wharves', total capacity of rail depots (possibly with an understanding of train paths capability) should be factored in. With regard to imports of crushed rock via the wharves, it is understood that the principal suppliers, Scotland and Norway are not currently constrained.

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<sup>8</sup> The Crown Estate: Marine Aggregates Capability & Portfolio 2018

- 4.10 Comprehensive information on road imports is dependent on the AM 2014 survey and any comments on the current situation will have to be based on local understanding of the situation.
- 4.11 South East mineral planning authorities engage with other mineral planning authorities under the Duty to Cooperate where there are important aggregate import/export relationships. Increasingly, Statements of Common Ground are likely to be required in plan-preparation. An understanding of emerging supply issues arising from these discussions can be referenced in LAAs.

### **Quarries**

- 4.12 South East LAAs should report on sales and reserves of the principal aggregates (soft sand, sharp sand and gravel and crushed rock) produced by quarries. There should be no need to report in LAAs on the combined sand and gravel totals unless confidential data would be disclosed. However, mineral planning authorities should endeavour to avoid this by agreeing disclosure with relevant operators or publishing 3-year average sales data.
- 4.13 The principal measure of quarried aggregates supply is the landbank, which is derived utilising the relevant LAA Rates. However, LAAs should take into account the productive capacity of quarries particularly if a particular LAA Rate is not be achievable (due to loss of capacity) and recognise that some of the landbank may realistically remain unworked. LAAs should also take account of mineral plan allocations and/or policy commitments on supply provision as these can provide a broader picture of the potential supply situations. On the other hand, it is important not to count these potential yields as 'reserves' and part of the landbank calculation. Furthermore, LAAs should give some attention to the long term, i.e. beyond the current mineral plan period, supply prospects. The impact of environmental designations and the depletion of resources need to be indicated.

## **5. Demand and Supply Options Balance**

- 5.1 LAAs should include an overall assessment of the balance between demand and supply of aggregates, which should conclude whether existing and planned aggregates quarries and infrastructure are adequate. This could be carried out by projecting the LAA rates forward by 10 years, or the mineral plan period, whichever is the greater, to estimate the aggregates requirements and compare this with reserves/capacity.
- 5.2 It would also be helpful to SEEAWP – see 6.1 below – if the LAA contains a conclusion on **whether the mineral planning authority considers it is making an appropriate contribution<sup>9</sup> to what are understood to be the**

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<sup>9</sup> The PPG states (06-03-2014) states that MASS ‘...requires mineral planning authorities which have adequate resources of aggregates to make an appropriate contribution to national as well as local supply, while making due allowance for the need to control any environmental damage to an



**aggregate supply that is required of the mineral planning authority.** The assessment in 5.1 above would help with this conclusion with an explanation and suggested action that may need to be undertaken. This should be accompanied by an analysis of the adequacy of the current mineral/local plan and whether this should be reviewed. On the other hand, there may be other matters to address, which could be covered through the Duty to Cooperate and Statements of Common Ground.

## **6. Scrutiny by SEEAWP**

- 6.1 According to the MPA/POS guidance AWP should *‘provide an assessment on the position of overall demand and supply for each type of aggregate for the AWP area, based on the LAAs and informed by other data. The assessment should also investigate emerging trends in the area and consider whether the AWP area is making a full contribution towards what it understands is the national and regional aggregate needs, which should be reported in its Annual Monitoring Report.’* This reflects advice in the current Planning Practice Guidance (PPG).
- 6.2 The POS/MPA Guidance suggests that as AM reports should be submitted to Government by the end of June and the AM/Annual Report should rely on the previous years LAAs. This is not very helpful for an up to date assessment of the regional aggregate picture. In order to remedy this SEEAWP will now consider both the AM report and LAAs in its Autumn (normally November) meeting<sup>10</sup>. This might require the meeting to be of an extended duration.
- 6.3 The NPPF requires all mineral planning authorities to participate in the operation of an AWP. In line with this, attendance is especially encouraged for the Autumn meeting of SEEAWP when draft LAAs are discussed. The mineral planning authorities should briefly present the findings of their LAAs with regard to the Executive Summary – see template in Appendix 1. (A one-page summary previously circulated is helpful for Members and the Minutes).
- 6.4 SEEAWP will attempt to reach a consensus on the conclusions and any advice on any LAA, which will be minuted and followed by a formal letter<sup>11</sup> to the mineral planning authorities. Any disagreements by SEEAWP members will also be minuted. The mineral planning authorities do not have to accept the advice of SEEAWP, but its views (and minutes) are capable of being a material consideration in the preparation of mineral plans and in making decisions on planning applications.

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acceptable level. It also ensures that areas with smaller amounts of aggregate make some contribution towards meeting local and national need, where that can be done sustainably.’

<sup>10</sup> Current AWP contracts require the submission of the Annual (AM) Report by the end of June the following the AM survey year. This provision has been carried over from contracts agreed before LAAs became part of the AWP cycle of meetings. Currently Annual Reports and LAA data are unsynchronised. Future contracts should allow for the AM survey and LAAs to be reported together.

<sup>11</sup> The letter will not be issued until the members had an opportunity to comment on the draft minutes.

### Executive Summary & Dashboard

An Executive Summary of a LAA is helpful and it will facilitate consistency over the region. The principal points the Summary should cover are:

1. The overall demand outlook based on current sales trends (10/3-year average sales) and other information and what this means for all LAA Rates. Recognition needs to be given how the requirements of other mineral planning authorities within or without the AWP areas affect sales;
2. All supply options taking into account landbanks, mineral plan allocations and infrastructure (recycling sites, wharves and rail depots) capacity. This should also include the significance of imports/marine aggregates contribution to aggregates supply.
3. Demand and supply balance – see 5.1 above – include longer term issues such as additional external demands, security of external supply and resource/environmental constraints
4. Conclusions, including implications for current mineral plan and actions required by the mineral planning authority.

## Dashboard Template

	Summary – [Mineral Planning Authority] (for the calendar year 20XX)								
Quarry Sales	20XX Sales (Mt) & Trend <sup>1</sup>	Average (10-yr) Sales & Trend <sup>1</sup>	Average (3-yr) Sales & Trend <sup>1</sup>	LAA Rates (Mt) <sup>2</sup>	Reserve (Mt)	Landbank (years)	Allocations (years)	Capacity (Mtpa)	Comments <sup>3</sup>
Soft Sand	XX ↓	XX ↓	XX ↑	XX	XX	XX	XX	XX	
Sharp Sand & Gravel	XX ↑	XX ↑	XX ↔	XX	XX	XX	XX	XX	
All Sand & Gravel <sup>4</sup>	5	5	5 ↓	5	5	5	5	5	5
Crushed Rock	XX ↓	XX ↑	XX ↔	XX	N/A	XX	XX	XX	

Aggregates Infrastructure Sales	20XX Sales (Mt) & Trend <sup>1</sup>	Average (10-yr) Sales & Trend <sup>1</sup>	Average (3-yr) Sales & Trend <sup>1</sup>	LAA Rates <sup>2</sup> (Mt)	Reserve (Mt)	Landbank (years)	Allocations (years)	Capacity (Mtpa)	Comments <sup>3</sup>
Recycled / Secondary Aggregates Sites	XX ↓	XX ↔	XX ↔	XX	N/A	N/A	N/A	XX	
Wharves Marine Sand & Gravel	XX ↓	XX ↔	XX ↔	XX	N/A	XX	XX	XX	
Wharves Rock Imports by Sea	XX ↑	XX ↑	XX ↔	XX	XX	XX	XX	XX	
Rail Depots Sand & Gravel	XX ↔	XX ↑	XX ↑	XX	XX	XX	XX	XX	
Rail Depots Crushed Rock	XX ↔	XX ↑	XX ↓	XX	XX	XX	XX	XX	

**General Comments<sup>6</sup>**

**Footnotes:**

1. **Trend** – indicates whether the average sales are (compared with the previous year's LAA average sales) increasing (upwards arrow), declining (downwards arrow) or no change (level arrow)
2. **LAA Rates** – There should be LAA Rates for not only quarried aggregates but also aggregate sales at wharves, rail depots and recycled/secondary sites
3. **Comments** – limit comments to explain possible anomalies e.g. peculiarities about current sales, landbank limitations, important infrastructure changes, soft sand sales at wharves, origins of aggregate imports by sea/rail etc
4. **All sand and gravel** – data only required if AM confidentiality requirements breached by separately presenting information on soft sand and sharp sand and gravel
5. **Shading** – apply where aggregates supply source is irrelevant to the mineral planning authority.
6. **General Comments** – explain overall picture with reference to demand, factoring in export requirements and security of supply – landbank, allocations, infrastructure capacity - to meet this. If possible, should state **whether the mineral planning authority considers it is making an appropriate contribution to what are understood to be the aggregates supply required of the mineral planning authority. Include also an analysis of the adequacy of the current mineral/local plan and whether this should be reviewed**

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