

East Midlands Aggregate Working Party

Minutes of Meeting

12th December 2018 10.30am-12.30pm

Venue: County Hall, Nottinghamshire County Council

Attendees

Stephen Pointer	Nottinghamshire (Chair)	SP
Fabian D'Costa	Leicester City	FD
Steven Osborne-James	Nottinghamshire	SOJ
Amelia Lees	Leicestershire	AL
Mark North	Mineral Products	MN
Carolyn Williams	Urban Vision (Secretariat)	CW
Ailsa Berry	Peak District	AB
Laura Burton	Northamptonshire and Rutland	LB
Phil Watson	Northamptonshire	PW
Mike Daley	Lincolnshire	MD
Richard Stansfield	Derbyshire	RS
Kirsten Hannaford-Hill	Aggregate Industries	KH
Graeme King	Breedon Southern Ltd	GK
Adrian Winkley	Lincolnshire	AW

Apologies

Keith Bird	Hanson
Andrew Barton	Peak District
Jane Newman	Peak District
Jim Davies	EA
Tim Deal	Tarmac
Richard Leonard	Lincolnshire
Howard Button	NFDC
Mark Kelly	Cemex
Andrew Waterhouse	Derby
Martin Clayton	Geoplan
John Wilson	Nottinghamshire

Item 1 - Introduction and Apologies

- 1.1 Prior to formal commencement of the meeting, Stephen Pointer (SP) put himself forward to take over as chair of the EM AWP following the recent

departure of Lonek Wojtulewicz (LW) from Leicestershire. Phil Watson (PW) and Mark North (MN) supported the nomination and it was unanimously accepted by the AWP. SP then formally welcomed everyone to the meeting and the new venue in Nottingham and formally thanked Lonek for all his years of service to the EM AWP. He invited members to introduce themselves and indicated a list of apologies had been provided and would be recorded in the minutes.

Item 2 – Minutes from Last Meeting

2.1 Minutes accepted as an accurate record.

Item 3 – Draft AM2018

2017 Annual Report

- 3.1 SP Invited Carolyn Williams (CW) to introduce the report. CW noted the changes made since last time, including new text requested by Mark North in relation to para 1.10 regarding concern that the AWP is not able to monitor if they are making a full contribution to both national and local requirements .
- 3.2 Mark North (MN) raised concern again regarding this point and that additional detail is still required. MN wanted more recognition that it is agreed that the national figures are out of date and as such, without MHCLG taking steps to update these, it is not possible to know if we are currently making a contribution to national need. CW to amend text to reflect this.
- 3.3 Mike Daley (MD) noted some minor changes needed to the report and the request by Richard Leonard (RL) to include movement data within the region. CW noted that this information is not available. Adrian Winkley (AW) noted that when the 2009 survey was done by BGS, the region was able to obtain some specific movement data. However as we do not yet know if the 4 yearly survey by BGS will be undertaken in 2019, it was request that MPAs try to provide what local data they can on movements of material within the EM.
- 3.4 CW noted recent discussion on HS2 which had taken place at the WM AWP meeting. The WM grouping is concerned as to how the resource requirements for HS2 will be met and where material will come from.
- 3.5 MN added that the MPA have also met with HS2 and they have indicated that for period 2019-24 (phase 1 of HS2) they are looking for between 30-40mt of aggregates and they are expecting the WM and EM authorities to contribute to meeting this need. This is likely to meet supply issues. Contractors are already looking to the Midlands to meet part of this supply.
- 3.6 Graeme King (GK) added that this would require a significant increase in supply from current levels to approximately 6mt/yr.

- 3.7 MN requested that this be flagged up in the AMR as has been agreed for the WM and suggested that a joint meeting with HS2 and the two AWP's should be requested to enable a better picture of the likely supply needs for HS2 and whether the region is able to meet this.
- 3.8 SP agreed for the need to flag this up in the AMR and that a joint meeting with HS2 would be useful. MN offered to approach HS2 on the AWP's behalf which was welcomed.
- 3.9 Subject to the minor changes discussed, the AWP agreed to sign off the AMR.
Action: CW to add additional text on HS2 and meeting local need and make minor changes required.
Action: MN to contact HS2 to discuss meeting with the EM and WM AWP's.

Item 4 – Progress of LAA's

Leicestershire

- 4.1 CW presented a summary of the issues highlighted through responses to the Leicestershire LAA. Amelia Lees (AL) is taking on board all comments through revisions to the LAA. There was general concern that the LAA was not planning for what the demand will be for S&G in Leics. as this cannot be met as the resources are not available. However without planning for demand, areas around Leics. will not be able to plan to meet the additional needs which Leics. cannot meet if they do not forecast this.
- 4.2 SP noted that S&G sales in Notts. have shown a marginal increase recently which may be as a result of depleting reserves in Leics.
- 4.3 PW noted that regardless of what is forecast, the issue remains that the industry need to bring forward sites which they have not done in Leics.
- 4.4 KH noted that the call for sites hit when industry wasn't in a position to provide sites and also noted access to area is an issue due to the rural nature of the county.
- 4.5 GK also added the high value of agricultural land is also affecting industries ability to obtain new sites. If there is no local supply then the other areas will most likely need to provide this resource.
- 4.6 MN noted that NPPF requires LPAs to forecast correctly the likely demand and there is concern that this has not been achieved in this LAA.
- 4.7 SP agreed that better clarification on future demand in LAAs should be provided.
- 4.8 KH noted that it is not just the reserve figure which is important but also production and capacity to meet demand.
- 4.9 SP added that the AWP will look to help Leics. to resolve the shortfall issue. Derbyshire and Peak District

- 4.10 Richard Stansfield (RS) noted that DCC are proposing to use the 3yr average in their LAA. They are still working on this but expect it to be available soon.

Nottinghamshire

- 4.11 SOJ noted that Notts are drafting their LAA with 2017 data and expect this to be available by January. SOJ noted that sales were up in 2017 and reserves and landbank both up slightly due to falling sales therefore are not representative of the current situation. There is S&G within the area but the 10 yr average is still being used.
- 4.12 MN added that the industry are interested in sites in Notts. However, they are awaiting progress on the local plan before submitting sites as not willing to take risks on unallocated sites.

Northants

- 4.13 10 and 3 year average both 0.3 but going with 0.5. MN commented that Northants also not forecasting correctly. MN agreed to liaise directly with each area on specific issues.

Lincolnshire

- 4.14 AW noted that the LAA will be available before Christmas. Rise in sales noted and 9mt awaiting s106 agreement. 10 year average still considered appropriate.

Action: All Authorities to prepare a draft LAA for consultation by end of January 2019

Item 5 – MHCLG and 4 yearly aggregates survey and SoCG

- 5.1 CW updated the AWP on the letter that had been sent to MHCLG and on correspondence from Richard Greaves (Essex CC) who has been in contact with Simon Gallagher from MHCLG on behalf of the Minerals PAG. It is looking positive for a further 12 month extension but nothing has been confirmed yet.
- 5.2 MN added that the MPA had also recently met with Simon Gallagher and that discussions had been positive and MHCLG are recognising the importance of AWP's and the work they have done and the role of MASS in supporting growth. Simon Gallagher confirmed to the MPA that the AWP contracts would be rolled forward for a year. MN also noted that the PPG on minerals is being reviewed and updated and expected the end of Q1 2019.
- 5.3 CW raised the item on SoCG item following discussions at the recent NW AWP. Paragraph: 017 ID: 61-017-20180913 of PPG now includes a reference for AWP's as signatories on SoCG for minerals plans. CW questioned had anyone thought what that would be? As AWP's are supported by both local authorities and industry it is not always possible to agree a consensus opinion on local plans and as such it is not clear how AWP's could sign up to minerals plans.
- 5.4 SOJ noted that Notts do sign up to SoCG but was not sure how the AWP could do this. MN reiterated this point. CW stated that it is not always possible for

industry and MPAs to agree on Local Plan matters, therefore how would they sign up to local plans jointly through AWP? The AWP agreed that more detail is needed on this and maybe a matter to take to the minerals PAG to address with MHCLG.

Item 6 – Progress on Development plans

6.1 See separate sheet for details.

Item 7 – Update from Industry

7.1 MN noted the MPA had produced specific data for the EM region. This was appreciated by the AWP. MN also provided key figures, as follows:

Economic & Market Outlook

MPA MARKET SALES. Demand for mineral products resulted in a broad-based weakening and increased volatility of markets during 2018. In addition, lower confidence in major infrastructure projects starting in 2019, given the continuous delays in the roads programme and main works on HS2, also resulted in downgrades to the MPA market outlook in 2019. Outside mortar, mineral products markets are facing another year of flat to marginally negative sales volumes, with growth only expected to resume from 2020.

ECONOMIC OUTLOOK. The political debate surrounding the Withdrawal Agreement is adding to a general climate of uncertainty and low business confidence. Business surveys showed UK economic activity slowed in October, and business optimism about the year ahead deteriorated. The OECD forecasts UK growth of 1.4% in 2019 but also indicates that a failure to negotiate a Withdrawal Agreement, including a transitional period, is in their view the greatest risk to the UK Economic outlook in the near term. This adds to a series of economic analyses predicting that closer arrangements between the UK and the EU would limit any economic damage, whilst a 'No Deal' Brexit would result in the worse scenario.

CONSTRUCTION. In the first 9 months of the year, construction activity was 0.7% higher compared to the same period last year, with new work remaining broadly flat. Momentum in house building and some growth in infrastructure and non-housing repair & maintenance were the main drivers in activity, offset by falls in commercial and public non-housing work. Looking forward, the CPA forecasts construction activity to remain flat in 2018. Modest growth in 2019 and 2020 will be underpinned by continued growth in housing, but, increasingly, by major infrastructure projects in the transport and energy sectors. Meanwhile, commercial work is forecast to remain weak until 2020.

Item 8 –Any other business

- 8.1 Keith Bird is retiring at the end of the year and will be replaced by Mark Page. The AWP would like to formally thank Keith for this support to the AWP over many years.

Item 9 – Date of Next Meeting

- 9.1 It was agreed that the next meeting should take place on the morning of Wednesday 12th June.