

## **Nottinghamshire Minerals Local Plan**

### **Examination in Public**

### **Inspector's Supplementary Questions**

### **Hearing Statement by Mick George Ltd June 2020**

#### **Main Matter 3: *Minerals Provision Policies***

***27 Paragraph 4.2 may require amendment or further explanation regarding prioritising extensions to existing sites.***

1. No comment

#### ***Policy MP1***

***28 Given the reducing level of sales of aggregates in Nottinghamshire, is the use of the 10-year sales average a robust approach to planning for aggregate provision, and is any alternative reliable approach available?***

#### **Is the 10 year sales average robust?**

1. We have previously made representations that the 10 year sales average is not an appropriate approach to aggregates planning in Nottinghamshire because sales data on their own do not fairly reflect the level of demand in the county, and I shall summarise the reasons why it is not. The recession of 2009 led to the mothballing of large swathes of sand and gravel capacity in the county as it did everywhere. The aggregates industry lost about a third of its market at a stroke. In terms of the county's own experiences the local operators will be best placed to tell the story of what happened locally but no doubt much of what applied at the national level was also reflected in Notts.
2. However, taking a national perspective, in England the first thing the industry did was to put a stop on capital expenditure. Since development for new sites is a capital expense, this stopped as well. Not only quarries suffered but there were also permanent closures of many downstream plants leading to lasting capacity losses. Companies took commercial decisions to rein in supply and mothballing tended to affect the least profitable units first, and those with low reserves or outdated processing plant or other issues that required capital investment to continue. The recession caused these companies to drastically cut staff, roll back engagement with the planning system, impose a moratorium on prospecting for new reserves and stop all but essential investment. Many of the bigger companies are foreign owned and must compete for capital with much more profitable overseas operations. Companies changed their supply

pattern and sourced local markets from units further away raising imports. Some areas were quicker than others to change back but equally a few areas did not. These, like Nottinghamshire, have experienced prolonged high levels of imports.

3. In the years following the recession not only did we have to grapple with a new way of planning for aggregates based on the coalition government's Localism agenda, but the industry experienced further upheaval of reorganisations which also tended to put capital decisions on hold. Moreover, planning resources within companies have been increasingly diverted to section 73 applications to extend the lives of sites mothballed or affected by lower sales volumes in order to keep the current business turning over, at the expense of new projects for which there was no spare capacity.
4. One further complication locally was the time it was taking to complete a review of the Notts MLP. I have been personally working on this document on and off, since 2012 for two clients. I wrote in 2012 that delaying the adoption of an up to date plan until 2014 would perpetuate uncertainty in the industry and delay investment. Here we are eight years later only a little further forward.
5. So the position in the county is that investment in new sites by incumbent operators has been delayed coupled with increased imports, although the interest by the industry as a whole in the county remains very strong. While some counties have issued multiple calls for sites and received very few responses (e.g. Worcestershire, Warwickshire), the opposite is true in Nottinghamshire. Companies such as MGL can see the market opportunities here of improved construction activity and the availability of unconstrained resources and wish to set up shop. However, without the comfort of a local plan allocation the company cannot risk the large capital sums which would be necessary to progress a planning application.
6. Three years ago MGL thought it had such certainty at last when its site at Flash Farm was proposed to be allocated in the Publication Version of the previous incarnation of the MLP. However, this plan was withdrawn just before examination by the current administration in County Hall. This previous plan was similarly based on a 10 year average, but pegged at an earlier point so that pre-recession sales could be reflected in the provision level. This compromise was not acceptable and the current reliance on a recessionary 10 year average is the result. If this is accepted as sound by this examination, then the outcome will be a reduced capacity to supply the local market which will be made up by increased and prolonged levels of imports. Furthermore, any increase in demand generated by planned development will not be accommodated. For these reasons it is not advisable to use the 10 year average sales as a provision level in Nottinghamshire.

**Is there an alternative reliable approach?**

7. There are several alternative approaches that could be used, which we have set out in our representations to the Plan. I will not rehearse them in detail at this point but refer the examination to those representations for the details while I briefly describe why they are superior to the methodology in the Plan.
8. The Oxfordshire approach has many similarities to the Nottinghamshire situation and this is an alternative that has the benefit of having been found sound at Examination. In essence it seeks to restore the county to the situation it was in before the recession by calculating sales as a proportion of all England in a period just before the recession and then applying this to the current national sales. This accounts for the recession which the Council admits is the major cause for the flatlining of sales in the county, removing the distorting affects. However, it does not explicitly take into consideration future demand and thus runs the risk of underproviding. If we used this method, the suggested provision level would be 2.32 M tonnes pa.
9. A variation of this approach would be to compare the county's historic sales performance prior to the recession, not in relation to England but to the East Midlands. This might yield a more accurate result.
10. A second approach is to look at the last year when housing completion rates were close to the planned average of future housebuilding and to examine the sales of sand and gravel associated with that. When this is done the suggested provision rate is 3.10 M tonnes pa. This explicitly links the future aspirations of the community in the form of greater levels of housebuilding to the supply of raw material to build them, although it does so on the basis of one data point.
11. A more sophisticated third approach would be to take an array of the last 10 years' data for both sand and gravel sales and data for housing completions for the same period and correlate them statistically. The resulting correlation coefficient can then be applied to the forecast average annual completions rate to provide a sand and gravel forecast. Using this method returns a forecast of 2.63 m tonnes pa. This too explicitly links the future aspirations of the community in the form of greater levels of housebuilding to the supply of raw material to build them and has the advantage of being based on a ten year trend.
12. We are in an unusual situation and it is often remarked that forecasts are never accurate. Yet we must have them in order to plan for the future. In the final analysis it is up to the Council to propose a way forward, but if there is an ideological objection to raising sales of sand and gravel then I suppose no solution proposed by an objector would carry any weight with the Council. In essence, it seems to me that if all parties agree that it is recession that has caused

the flatlining of sales, then we either need to strip out the effects of the recession, or to consider an alternative way of building in future growth.

**29 Does the Sand and Gravel Delivery Schedule in Appendix 1 of the Plan demonstrate a steady and adequate supply of aggregates over the Plan period?**

1. No. the Delivery schedule is slightly confusing because for several sites there are two figures; one is a forecast given by the operator, and one is the planning permission maximum output (Appendix 1 preamble). I have reworked these figures to produce two charts which display this information compared to the policy provision level of 1.7 M tonnes pa (MLP Table 2), which are shown in the accompanying MGL appendix.
2. Chart 1 shows that at no time throughout the plan period do the combined forecasted outputs of the sites reach the policy provision level. They reach a level of 1.6 M tonnes pa for a period of seven years at the start of the plan period and rapidly reduce to 1.2 M tonnes and after 2030 fall to below 1 M tonnes pa. This suggests that more provision needs to be made.
3. However, the Council may respond that if demand rises the sites may increase their outputs to satisfy that demand to the maximum allowed. Chart 2 shows the sales from all sites using figures for the maximum permitted outputs shown in the schedule for the six sites where this information is given. This is a better outcome in that the policy provision level would be exceeded for eight years and at the policy level for a further three years, falling to 1.4 M tonnes pa by 2031 and under a million tonnes by 2035. However, I must point out that all future growth is unlikely to be met by the allocated sites because of the existing commercial interests of competitors who will most likely continue to import material to satisfy their own customers.
4. There is one major difference between the two charts and that is the performance of Sturton le Steeple in the Idle Valley. This has a maximum permitted output of 500,000 tonnes pa and the forecast for the site is only 20% of this. It is essentially this difference that allows the output to rise over the policy level in Chart 2.
5. There is no definition of steady and adequate provision that I am aware of, but in my judgement adequacy refers to the provision level or tonnage allocated as determined through the LAA process, while steadiness refers to the length of period over which it is available to be worked. In that regard, if for sake of argument one accepts the objectors' case about the inadequacy of the provision, then it is also clear that there is not sufficient material or sites being allocated which will last for the whole plan period. So I conclude that the provision is neither adequate nor steady as shown by this schedule.

6. In other situations where this has occurred, the local authority usually points to the prospect of the review process putting things right. However, my experience of giving evidence at over 100 public inquiries throughout my career, many of which have been Local Plan inquiries, I have to say I have no confidence that review will be conducted in the timescale promised. I have no doubt there are always good reasons for this, but it still does not change the fact that the industry does not see the correct level of provision. The adopted plan for Nottinghamshire dates back to 2005. A review of the MLP has now taken over 8 years and is still not finished, and in one other (unitary) authority where I was promised at the examination of a Local Plan with the approval of the Inspector, an urgent formulation of an MLP within 2 years, mineral policies are still emerging after seven years. In these circumstances I think objectors can be allowed some scepticism. My view is that the provision in a local plan should be adequate and steady for the whole plan period from the start and should not have to rely on reviews to make up any deficiency. Alternatively, if it is accepted that the provision level does not have to be maintained for the whole plan period then the Plan should be amended to show Areas of Search for the industry to seek new provision.

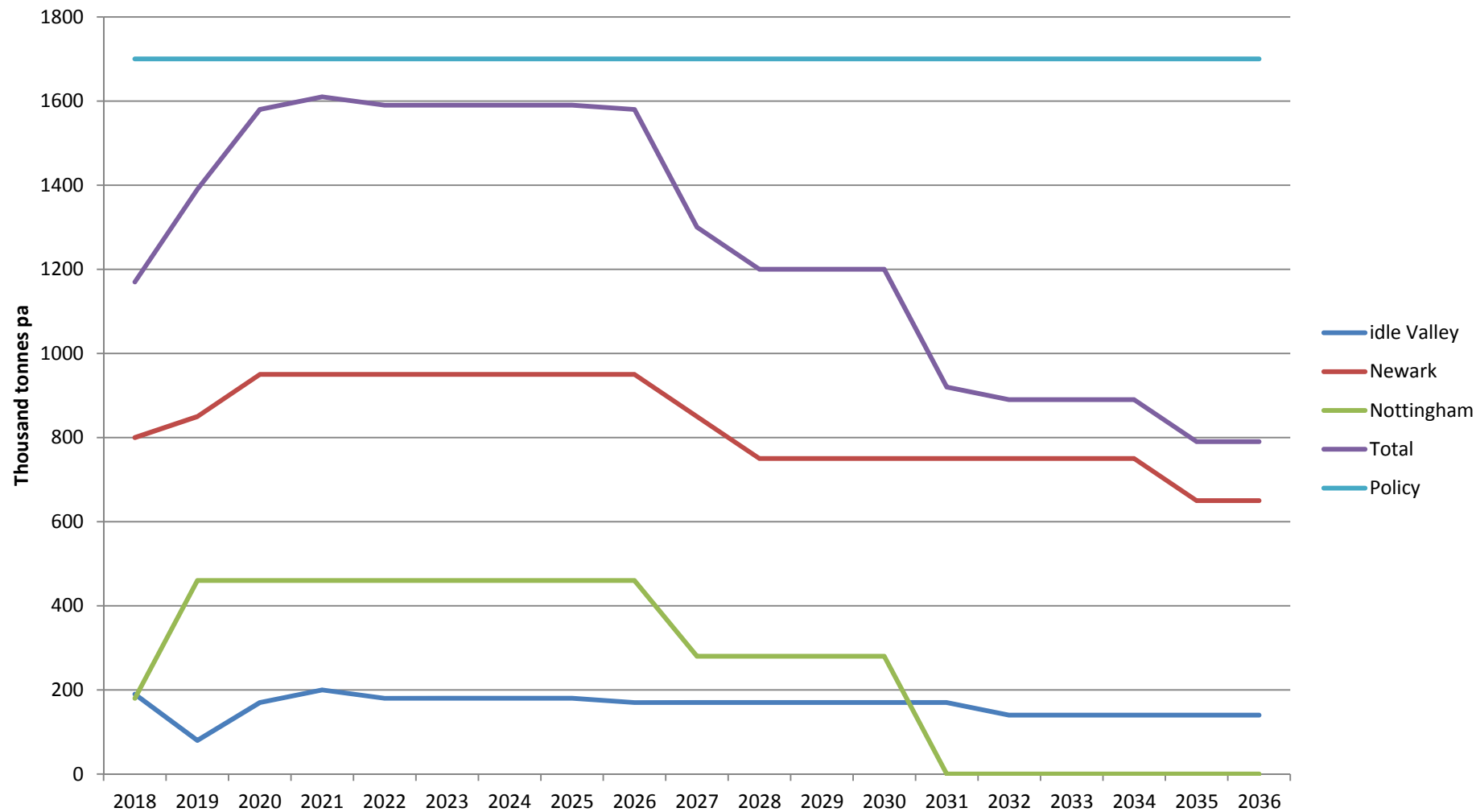
**Policy MP2**

**30 Paragraphs 4.17 and 4.19 state that, as of December 2016 permitted reserves stood at 17.5mt, and that planning permission at Langford Lowfields has increased the level of permitted reserves by 3.6mt. This would give a total of 21.1mt. The remaining reserves in Policy MP2 (1) (a) total 23.31mt. However, this figure is greater than the 20.1mt given in Table 2 of the December 2019 Local Aggregates Assessment. Please would you provide further explanation of these figures.**

1. This is a matter that only the Council can answer, but I would be interested to know what that is when the explanation is provided.

# MGL Appendix 1

## Notts New MLP Delivery Schedule S&G Chart 1: Forecasted Sales



# Notts New MLP Delivery Schedule S& G

## Chart 2: Permitted Sales

