



COUNCIL – 19TH JANUARY 2021

SUBJECT: REGIONAL TECHNICAL STATEMENT FOR THE SOUTH WALES REGIONAL AGGREGATE WORKING PARTY (SWRAWP), SECOND REVIEW

REPORT BY: INTERIM CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To advise members of the purpose of the Regional Technical Statement (RTS) 2nd Review and set out the main issues it highlights with respect to minerals planning in the County Borough, within the context of the Second Replacement Caerphilly County Borough Local Development Plan (LDP).
- 1.2 To seek members' endorsement of the RTS 2nd Review, as required by Minerals Technical Advice Note (MTAN) 1: Aggregates, as a strategic basis for minerals planning within the context of the Second Replacement LDP.

2. SUMMARY

- 2.1 National planning policy, in the form of MTAN 1, requires the RTS to be produced at five-yearly intervals. This review is an update of the original 2008 Statement, which was first reviewed in 2014. The RTS 2nd Review provides recommendations which guide future levels of provision of primary construction aggregates (crushed rock and land-based sand and gravel) on a sub-regional and local authority basis; these are strategic in nature and do not offer site-specific information or guidance. National policy requires the relevant parts of the RTS strategy to be incorporated into individual LDPs. If local authorities do not accept the recommendations in the RTS 2nd Review, Welsh Government will consider its default powers to intervene in the planning process as a last resort.
- 2.2 For Caerphilly County Borough, the key issues arising from the RTS 2nd Review are:
 - The need to prepare a Statement of Sub-Regional Collaboration (SSRC), prior to any LDP examination. Caerphilly is grouped together with a number of authorities (listed at paragraph 5.8) in the Cardiff City sub-region;
 - A preferred annualised apportionment of **0.535 mtpa** (million tonnes per annum) or a total apportionment over 25 years of **13.371 mt**, representing a surplus of **17.909 mt** in permitted reserves;
 - The need for continued safeguarding of primary aggregate resources in the Second Replacement LDP;
 - Shortfalls in provision in Cardiff and Rhondda Cynon Taf, therefore potentially

requiring new allocations within the sub-region.

3. RECOMMENDATIONS

- 3.1 That members endorse the RTS 2nd Review, as required by Minerals Technical Advice Note (MTAN) 1: Aggregates.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To comply with national planning policy in relation to the provision of primary aggregates.
- 4.2 To provide a strategic basis for minerals planning within the context of the Second Replacement LDP, and to act as a foundation for sub-regional collaboration on this matter.

5. THE REPORT

- 5.1 National policy, in the form of MTAN 1, requires the preparation of RTS's for the two areas covered by the Regional Aggregate Working Parties (RAWPs), North Wales and South Wales. Whereas MTAN 1 develops the national policy set out in Planning Policy Wales (PPW), the RTS 2nd Review provides the supporting detail which allows this to be implemented. The original RTS documents were completed in 2008 and are required, by MTAN 1, to be reviewed every five years. The first review was undertaken in 2013/14, with the second commencing in 2018.
- 5.2 Preparation of the RTS 2nd Review was undertaken by Cuesta Consulting Ltd and overseen by a steering group comprising representatives of Welsh Government, Natural Resources Wales, the Mineral Products Association, the British Aggregates Association, local authorities and the two RAWP secretaries.

Methodology

- 5.3 The methodology is based on historical sales averages for aggregates combined with an attempt to reflect planned future requirements for housing construction, and to avoid perpetuating historical supply patterns in areas where there is scope to encourage more sustainable patterns of supply. It recognises that LDP housing requirements across Wales are more than double the average levels of house completions over the last ten years, and that a corresponding increase in the planned provision of construction materials associated with housebuilding should therefore be allowed for. However, this is not necessarily a prediction of future demand, since the housing figures set out in LDPs will only materialise if, and where, economic conditions allow.
- 5.4 While housing accounts for only part of overall construction activity, statistics reveal a very high degree of correlation between housing completions and aggregate sales. Other data shows that housing accounts for 30% *by value* of all new construction. This implies that a doubling of housing construction would necessitate a doubling of that 30% element of aggregate sales. At a national level, therefore, the RTS Steering Group agreed that the provision required for aggregates should be guided by a 30% uplift on historical sales figures.
- 5.5 RTS 2nd Review apportionment figures are determined in four stages:
- Stage 1 – the 30% uplift is applied to the composite historical sales figure to

- obtain an overall national guideline figure for future aggregate production;
- Stage 2 – the national figure is broken down into two regional guideline figures, based on the historical split of aggregate sales between North and South Wales, which has remained consistent over several years;
- Stage 3 – the regional figures are apportioned among the seven sub-regions, which have been created for the specific purpose of facilitating strategic minerals planning and collaborative approaches between local planning authorities (LPAs), with each representing a distinct market area between which there is relatively little movement of aggregates, except for exports to England. Apportionment at this level is achieved through a combination of qualitative and quantitative judgements, exercised by the RTS Steering Group and reflecting its collective understanding of market requirements along with considerations of existing landbanks, the proximity principle and environmental capacity;
- Stage 4 – the apportionments for each LPA are separated into figures for sand and gravel and crushed rock production, based on historical sales proportions in each LPA. These figures are then multiplied by the number of years required (22 years for sand and gravel, 25 years for crushed rock) to obtain the total provision required, in millions of tonnes. Comparison of these figures with existing landbanks and existing unworked allocations then determines the extent to which any new permissions/allocations for future mineral working are required within each LPA.

This results in the following apportionment:

Stage 1

- 5.6 Ten-year average aggregate sales across Wales (2007-16) are 15.557 mtpa. Increasing this by 30% produces a headline, national figure of **20.224 mtpa**.

Stage 2

- 5.7 **12.486 mtpa** of the total is apportioned to South Wales, based on the average North Wales/South Wales split between 2007-16 (South Wales was responsible for 61.74% of aggregate sales).

Stage 3

- 5.8 For the purposes of sub-regional apportionment, the RTS places Caerphilly in the Cardiff City sub-region, which also comprises the following local authority areas:
- Bridgend;
 - Cardiff;
 - Merthyr Tydfil;
 - Rhondda Cynon Taf;
 - Vale of Glamorgan; and
 - Brecon Beacons National Park (in its capacity as the LPA).
- 5.9 Sub-regional and LPA preferred annualised apportionments are based on judgements concerning historical sales, rates of housing delivery and resource availability. Two sets of figures were obtained: option A, relating to historical aggregate sales; and option B, relating to housing completions.
- 5.10 Option B combines the Cardiff City and Gwent sub-regions to take account of the fact

that Gwent has been making a limited contribution to the overall supply pattern. Calculations based on historical aggregate sales alone would perpetuate Gwent's relatively low contribution, at the expense of Cardiff City. However, whilst option B addresses the Gwent shortfall, it does not, on its own, take account of resource availability.

5.11 For Caerphilly County Borough, the following calculations apply:

- Option A = historical sales regional total (12.486 mtpa) x Caerphilly's share of regional total (4.15%) = 0.518 mtpa;
- Option B = sub-regional (Cardiff City *plus* Gwent) apportionment total obtained from option A (5.737 mtpa) x Caerphilly's share of sub-regional (Cardiff City *plus* Gwent) housing completions (9.62%) = 0.552 mtpa.

5.12 The preferred annualised apportionment is the average between the two options. This results in a preferred annualised apportionment for Caerphilly County Borough of **0.535 mtpa**, all of which is crushed rock. The preferred annualised apportionment for the Cardiff City sub-region is the sum of each LPA's preferred annualised apportionment, which is **4.609 mtpa** (precise calculations are set out in Appendix 1, chapter 5).

Stage 4

5.13 Over 25 years, this amounts to a total apportionment for Caerphilly County Borough of **13.371 mt**, compared to existing permitted reserves (as of 2016) of **31.28 mt**. Caerphilly County Borough therefore has a surplus of **17.909 mt**, and an existing landbank of **58.5 years**, greatly in excess of the minimum ten-year requirement.

Sustainability Principles

5.14 The outcome of this exercise has been a deliberate attempt to control, and in some cases to modify, the future pattern of supply of land-won primary aggregates in Wales, in line with sustainability principles.

5.15 For each region, sub-region and local authority, the RTS 2nd Review recommendations are informed by the analysis of:

- Available resources, permitted mineral reserves, sales and landbanks of primary land-won aggregates (crushed rock, sand and gravel);
- The availability and supply of marine, secondary and recycled materials;
- Levels of demand upon the region for the supply of aggregates, including exports;
- Levels of imports of aggregates into the region;
- The proximity principle, in relation to the transportation of aggregates; and
- The environmental capacity of areas to accept the impacts of future quarrying.

5.16 National planning policy relating to minerals, as set out within Planning Policy Wales, is directly relevant to the RTS 2nd Review and its recommendations. PPW was updated in 2018 to take account of the Well-Being of Future Generations (Wales) Act 2015 and introduced five new key planning principles in order to comply with the well-being goals. Two of these principles are clearly applicable:

- *Making the best use of resources*, which refers to the concept of maintaining a long-term vision with regard to climate change, decarbonisation and the

circular economy;

- *Maximising environmental protection and limiting environmental impact*, which explicitly concerns the need for respecting environmental limits, thereby supporting the notion of 'environmental capacity' as used in the RTS.

5.17 PPW also highlights the 'proximity principle' (which plays an important role in the RTS 2nd Review methodology) as a means of ensuring that problems are solved locally rather than passing them on to other places or future generations, and that the use of land and resources is sustainable in the long-term.

Scope and Purpose of RTS 2nd Review Recommendations

5.18 It is emphasised that RTS 2nd Review recommendations are intended to be strategic in nature, and do not provide site-specific information or guidance, which is for individual LDP processes to consider.

5.19 MTAN 1 requires LPAs to maintain minimum landbanks of ten years and seven years respectively for crushed rock and land-based sand and gravel throughout the 15 year plan period of the LDP. The RTS 2nd Review provides a mechanism for encouraging the national sustainability objectives relating to minerals to be met by each LPA over a period of up to 25 years for crushed rock, and 22 years for land-based sand and gravel. Specific recommendations are made to each LPA regarding the quantities of aggregate which need to be supplied from each area (apportionments) and the nature and size of any allocations which may need to be included in their LDP to ensure that adequate provision is maintained.

5.20 MTAN 1, para. 50 requires the relevant parts of the RTS strategy (apportionments and allocation requirements) to be incorporated into individual LDPs. However, apportionment figures are also identified for sub-regional groupings of LPAs. In *exceptional circumstances*, sub-regional analysis may result in the possibility of alternative methods of supply being considered within a sub-region. In order to facilitate this, and to ensure that the regional and sub-regional totals recommended by the RTS are achieved, this Review introduces a requirement for all LPAs within each sub-region to produce and agree Statements of Sub-Regional Collaboration (SSRC), in consultation with industry and other stakeholders, prior to the examination of any LDP within that area.

Statements of Sub-Regional Collaboration

5.21 *By default*, each SSRC will confirm that each constituent LPA within a sub-region accepts the RTS 2nd Review apportionment for their individual area, and that, as a minimum, the RTS 2nd Review requirements for that sub-region as a whole will be met.

5.22 In *exceptional circumstances*, a SSRC may identify an alternative pattern of supply which seeks to achieve the RTS 2nd Review requirements in a different way. This may arise either: where one or more LPAs within a sub-region are unable to meet their minimum requirements as set out in the RTS 2nd Review; or where an alternative, achievable and more sustainable pattern of supply is identified, through collaboration with the LPAs involved.

5.23 In these circumstances, the following will apply:

- **Inability to meet RTS 2nd Review apportionment:** the LPA would need to

demonstrate that it has insufficient workable aggregate resources of the type required and/or that there is no interest from the minerals industry in developing such resources within the area. It will *not* be sufficient to argue that an area has no existing quarries or recent production, or that alternative resources exist within another area;

- **Alternative pattern of supply:** this would involve transferring some or all of a LPA's apportionment to at least one other within the same sub-region, so as to create corresponding increases in provision within those areas, as required by MTAN 1. The 'receiving' authorities would need to increase their apportionments to ensure that, as a minimum, the overall requirements for ongoing supply within that sub-region are met. It will not normally be appropriate to merely transfer apportionments to another LPA without reference to the additional consideration of productive capacity i.e. whether industry can deliver, assuming the necessary sites are allocated and planning permission is granted.

5.24 Where there is clear evidence that the sub-region as a whole cannot meet its collective apportionment, SSRCs may be extended to include one or more LPAs in directly adjoining parts of a neighbouring sub-region. This may be appropriate for LPAs which are part of a single Strategic Development Plan (SDP) region. However, the above considerations would still apply.

5.25 Officers will be liaising with counterparts from other local authorities within the Cardiff City sub-region, as well as the wider Cardiff Capital Region, in terms of the preparation of the Second Replacement LDP. The SSRC for the Cardiff City sub-region will be drawn up during these discussions, prior to being reported to Council for the agreement of members.

Implications for Caerphilly County Borough

5.26 The County Borough has two quarries presently in operation: Machen, producing limestone; and Bryn, producing high specification aggregate (HSA) sandstone. In addition, there are three inactive quarries: Blaengwynlais (shared with Cardiff); Cwmleyshon; and Hafod Fach. As a result, it has a landbank and permitted reserves of sufficient type and quantity to satisfy regulatory requirements with regard to the Second Replacement LDP. No new allocations should therefore be required to meet the County Borough's own RTS requirement, although the following factors should be taken into account:

- The technical capability of one type of aggregate to interchange for another;
- The relative environmental cost of substitution of one type of aggregate by another;
- The relative environmental effects of changing patterns of supply; and
- Whether adequate production capacity can be maintained to meet the required level of supply.

5.27 However, two constituent LPAs of the Cardiff City sub-region, of which Caerphilly also forms part, have a shortfall in supply, namely Cardiff and Rhondda Cynon Taf. Consideration should therefore be given to whether some of Caerphilly's crushed rock reserves might, subject to the considerations set out above, be needed to compensate for shortages elsewhere. Such an arrangement would need to be set out in a SSRC to be agreed by the sub-regional LPAs. Also relevant to this is the potential difficulty that LPAs in the adjoining Gwent sub-region may face in meeting their RTS requirements, where new resources may be required. Again, the

considerations set out above would apply. Any transfer of apportionment must be based on clear evidence and considered to be an exceptional circumstance.

- 5.28 Three dormant quarries lie within the County Borough – Caerllwyn, Cefn Onn and Ochrwyth. Dormant quarries are defined in the Environment Act 1995 as those where no mineral development has taken place between 22 February 1982 and 6 June 1995, and cannot be worked without modern planning conditions being agreed with the LPA. The likelihood of each of these sites being worked within the period of the Second Replacement LDP should be assessed, subject to the completion of an initial review of planning conditions and an Environmental Impact Assessment. Where there is a likelihood of reactivation, and where a site conforms to the definition in PPW of a “specific site” (“where mineral resources of commercial significance exist, and where any planning applications which come forward for those sites are likely to be acceptable in planning terms”), they may be offset against any requirements that may otherwise be identified for allocations for future working.
- 5.29 Recycled aggregates from construction, demolition and excavation wastes are likely to be available within the County Borough. Use of these is encouraged, and the residual requirements for primary land-won aggregates assume that all of these alternative materials will continue to be utilised.
- 5.30 Resources of aggregates should continue to be safeguarded within the LDP, and all existing and potential new railheads should be identified for safeguarding, in order to provide a full range of sustainable transport options. In Caerphilly County Borough this point relates to the Machen railhead.

Conclusion

- 5.31 It is for individual LPAs to determine how the strategic requirements within the RTS should be met within their areas. This includes identifying the size and locations of new allocations, where they are required, and setting out corresponding policies within LDPs to guide the planning application process with regard to future mineral extraction.
- 5.32 Where it is justified by evidence, it is open for individual LPAs to depart from the recommended apportionment and allocation figures. However, in doing so, an LPA would need to demonstrate that its intended departure would not undermine the overall strategy of the RTS itself, and this would need to be reflected in the SSRC agreed with all other constituent LPAs within that sub-region.
- 5.33 MTAN 1, para. A3 is clear that if local authorities reach no agreement or if individual local authorities do not accept the RTS, Welsh Government will consider its default powers to intervene in the planning process as a last resort.

6. ASSUMPTIONS

- 6.1 No assumptions have been made.

7. LINKS TO RELEVANT COUNCIL POLICIES

- 7.1 Endorsement of the RTS would comply with the following Council policies:

7.2 Corporate Plan 2018-2023

Objective 2 - Enabling employment

As well as helping to sustain direct employment within the minerals industry, the provision of aggregates is necessary for the installation and maintenance of physical infrastructure required for economic well-being.

Objective 3 - Address the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve people's well-being

RTS apportionment is directly influenced by housing requirements set out in LDPs, and levels of housing completions. The provision of aggregates is directly related to the provision of new housing.

Objective 4 - Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment

The provision of aggregates is directly related to the provision of transport infrastructure.

Objective 5 - Creating a County Borough that supports a healthy lifestyle in accordance with the sustainable Development Principle within the Wellbeing of Future Generations (Wales) Act 2015

RTS apportionment is undertaken in adherence to those sustainability principles set out in national planning policy and seeks to control the release of land for minerals working.

8. WELL-BEING OF FUTURE GENERATIONS

8.1 The RTS 2nd Review contributes to the Well-being Goals as follows:

A prosperous Wales

RTS apportionment provides a sound, evidential basis for the provision of sufficient aggregates resources to meet the requirements of industry, and for the purposes of infrastructure provision.

A resilient Wales

The RTS 2nd Review seeks to address Wales' aggregate requirements internally, thereby contributing to social and economic resilience.

A globally responsible Wales

The RTS 2nd Review directly relates to national planning policy, and the following principles set out in PPW apply to RTS apportionment, in terms of its practical effect:

- *Making the best use of resources*, which refers to the concept of maintaining a long-term vision with regard to climate change, decarbonisation and the circular economy;

- *Maximising environmental protection and limiting environmental impact*, which explicitly concerns the need for respecting environmental limits, thereby supporting the notion of 'environmental capacity' as used in the RTS 2nd Review.
- *The proximity principle*, which ensures that problems are solved locally rather than passing them on to other places or future generations, and that the use of land and resources is sustainable in the long-term.

8.2 The RTS 2nd Review contributes to the Five Ways of Working as follows:

- Long term – RTS apportionment is long-term in its scope, requiring crushed rock and land-based sand and gravel resources to be sufficient to cover periods of 25 and 22 years respectively;
- Prevention – the RTS 2nd Review aids LPAs in the provision of sufficient aggregate resources, negating problems that may arise as a result, and helping LDPs meet their requirements as set out in MTAN 1;
- Integration – the requirements of the RTS 2nd Review adhere to the well-being goals, national planning policy, and feed into LDPs, which themselves take an integrated approach and are assessed in terms of their social, economic, environmental and cultural impact through the integrated sustainability appraisal (ISA) process;
- Collaborative – RTS 2nd Review preparation is collaborative, with the Steering Group including representatives from Welsh Government, Natural Resources Wales, the minerals industry and local authorities;
- Involvement – the RTS 2nd Review has been subject to consultation, including two stakeholder events in different parts of Wales, and comments received have fed into the final document.

9. EQUALITIES IMPLICATIONS

9.1 An EqIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor, negative impact has been identified, therefore a full EqIA has not been carried out.

10. FINANCIAL IMPLICATIONS

10.1 There are no financial implications.

11. PERSONNEL IMPLICATIONS

11.1 There are no personnel implications.

12. CONSULTATIONS

12.1 The report reflects the views of the consultees listed below.

13. STATUTORY POWER

13.1 Local Government Act 2000.

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Appendices:

Appendix 1 RTS Second Review (Main Document)
Appendix 2 RTS Second Review (South Wales Appendix)
Appendix 3 Equality Impact Assessment Screening Report