

---

1. Context.....	2
Introduction .....	2
Government guidance.....	4
Soundness of the Partial Review.....	4
Acknowledgements.....	5
2. The Regional Guideline Figures for Land-won Sand and Gravel and Crushed Rock .....	6
Introduction .....	6
National minerals policy .....	7
The approach of SEEPB .....	8
Is the 9.01 mtpa figure for land-won sand and gravel supported by the evidence? .....	10
What figures for land-won sand and gravel and crushed rock should be used in Policy M3?.....	13
Are the wharf facilities in the region capable of delivering the assumed contribution from marine dredged sand and gravel and ex-England imports? .....	16
3. Sub Regional Apportionment .....	19
Introduction .....	19
The apportionment methodology to be used.....	19
Sustainability appraisal.....	22
Implications of the apportionment for the MPAs .....	23
Should there be separate apportionments for soft and sharp sand?.....	26
Summary conclusion on sub regional apportionment.....	26
4. The South Downs National Park.....	28
Introduction .....	28
Background, status and future arrangements for the National Park.....	28
Approach to apportionment of the resource in the National Park.....	30
5. Other changes to the submitted Partial Review text .....	32
Introduction .....	32
Policy M3 .....	32
Supporting text.....	32
Appendix A: Recommendations.....	34
Appendix B: EIP Timetable .....	37
Appendix C: Final List of Matters and Participants .....	38
Appendix D: Core Documents List.....	41
Appendix E: Abbreviations .....	47

---

# 1. Context

## Introduction

- 1.1. The South East England Regional Assembly (SEERA) produced a draft Regional Spatial Strategy (RSS) for the South East of England between 2003 and 2006. This was the subject of an Examination in Public (EiP) between November 2006 and March 2007 and, subsequently a Panel Report was published in August 2007<sup>1</sup>. Following this the Secretary of State published the Proposed Changes to the Spatial Strategy in July 2008 and the South East Plan was published in May 2009<sup>2</sup>.
- 1.2. Policy M3 Primary Aggregates sets out the sub-regional apportionments of sand and gravel and crushed rock for the period 2001 to 2016. These apportionments are initially based on the average of sales over the seven years 1995 – 2001, after taking account the forecast contribution of secondary and recycled aggregates and marine-dredged aggregates. The Panel Report on the Examination indentified in paragraph 28.23 partial reviews of the RSS including that for primary aggregates apportionment. These had been subject of consultation from February 2007 onwards<sup>3</sup> and included consultations on a Project Plan and a sustainability appraisal report. These reviews had, to some extent, been triggered by the Panel Report into an earlier partial review in 2004 when the Panel at the EiP recommended a more rounded and forward looking apportionment methodology be developed<sup>4</sup>
- 1.3. Following this Issues and Options for consultation were prepared by SEERA. Formal publication of these Revisions and the start of consultations took place on 15 May 2008 with the consultation period ending on 8 August 2008<sup>5</sup>. The consultation exercise generated some 201 representations.
- 1.4. In March 2009 SEERA submitted to the Government recommendations for amending Policy M3 of the Draft South East Plan. This included proposed revised text to replace paragraphs 11.31 to 11.38, and a revised Policy M3. These are now paragraphs 10.83 to 10.89 in the South East Plan.
- 1.5. We were appointed by the Secretary of State for Communities and Local Government to conduct a single issue Examination in Public (EiP) arising out of the draft RSS Partial Review. Based on the objections and representations received, matters were selected by the Panel in consultation with the South East of England Partnership Board<sup>6</sup> and the Government Office for the South East (GOSE). We

---

<sup>1</sup> The South East Plan EiP Panel Report August 2007 (CD 1.35a)

<sup>2</sup> The South East Plan (CD 1.35)

<sup>3</sup> Partial Review of the Draft South East Plan: Revised Apportionment of Primary Land – Won Aggregates: Consultation Draft Project Plan and Statement of Public Participation, and SA Scoping Report, SEERA, February 2007 (CD 1.51)

<sup>4</sup> RPG9 Review of Waste and Minerals Panel Report paragraph 11.3.8 (CD 2.15)

<sup>5</sup> Partial Review of RPG9 and the draft South East Plan: Review of Sub-Regional Allocation of Land-won Aggregates Consultation Document (CD 1.7)

<sup>6</sup> SEEPB came into being on 1 April 2009 and took on the regional planning body responsibilities from SEERA.

selected participants to be invited to appear at the EiP also in consultation with SEEPB and GOSE. 40 organisations and individuals were invited most of whom participated in the EiP. The timetable, matters, sub matters and participants are reproduced in Appendices B & C of this Report.

- 1.6. All participants were given an opportunity to submit statements on each matter prior to the commencement of the EiP. Those received were made available to other participants prior to the commencement of the EiP. An agenda of follow-up questions derived from the points raised in participants' statements was tabled at each session of the EiP. Written Statements put in by those invited but unable to attend and by others not invited, due to limited space available at the EiP, have also been taken into account.
- 1.7. A library was available both before and during the EiP where copies of core documents, participants' statements and other documents were available for inspection. Other documents referred to, but not immediately available, during the EiP were added to the library later for completeness. The library Core Documents list is at Appendix D and we refer to many of these documents in our Report. A glossary of abbreviations and terms used in the report is at Appendix E.
- 1.8. An independent EiP web site was regularly updated to provide information on progress. This contained information about Panel members, summaries of representations, the preliminary meeting, the seminar, written statements, schedule of matters and participants and the EiP programme. Many of the documents were available in electronic format for viewing over the internet.
- 1.9. A Preliminary Meeting was held in the Penta Hotel, Reading on 21 July 2009. The purpose of the meeting was for the Panel to explain the nature of proceedings and to answer procedural questions from those present. Immediately after the Preliminary Meeting a Seminar was held. This gave all those attending an opportunity to understand the methodology behind and the robustness of the apportionments and the derivation of the figures in Policy M3. Presentations were made by representatives of SEEPB and the Department for Communities and Local Government (CLG) which were followed by question and answer sessions. We found this to be very helpful to our understanding of the methodology underpinning both the sub-regional apportionment and the generation of the national and regional guidelines themselves.
- 1.10. We offer two different types of recommendation concerning the Plan. These are:
  - modification to Policy M3;
  - amendments to the supporting/explanatory text;We also offer some comments in our final chapter on future work, assessments and procedures at both regional and national levels.
- 1.11. The recommendations, including Policy changes are set out in Appendix A of our Report.

---

## Government guidance

- 1.12. Government Guidance on Planning for Minerals is set out in MPS1.<sup>7</sup> It sets out the policy for the provision for land-won aggregates under Annex 1. It says Regional Planning Bodies (RPB) must have regard to the current National and Regional Guidelines for Aggregates Provision in England, in preparing Regional Spatial Strategies. They should use the process of reviewing and revising RSS to update sub-regional apportionments. If a Mineral Planning Authority is unable to meet the apportioned supply the RPB should consider the consequences for supply and demand within the region and consult CLG on any national implications. A shortfall in one part of the region should, where practicable, be made up elsewhere in the same region.
- 1.13. National and regional guidelines for aggregates provision in England, 2005–2020 were published in July 2009<sup>8</sup>. These allocate 195 million tonnes of land-won sand and gravel and 25 million tonnes of land-won crushed rock to the South East of England region in the period 2005 - 2020.

## Soundness of the Partial Review

- 1.14. In testing the soundness of the draft Policy we have had regard to the tests of soundness in paragraph 2.49 of PPS11.<sup>9</sup> Four of the tests of soundness are of particular concern to us. These are whether it is consistent with national planning policy, primarily as contained in MPS1, and whether the case has been adequately made for departing from national policy (test (iii)). In addition we query whether it is founded on a robust and credible evidence base (test (vi)), whether it is consistent with other neighbouring regional strategies (test (iv)) and whether it is robust and able to deal with changing circumstances (test (ix)).
- 1.15. In chapter 2 we examine whether there is a case for departing from national policy in the terms set out above [1.12]. Whereas we can understand the arguments put forward for a lower regional apportionment for land won sand and gravel we are unconvinced as to the evidence base for the figure proposed under draft Policy M3. We feel there is a case for departing from national policy but not in the manner proposed by SEEPB. We consider the scale of reduction of the apportionment could have implications for neighbouring regional strategies. We also recognise the level of apportionment that we recommend may reduce the strategy's ability to change to improving economic circumstances in a reasonable time scale. However, because the model used by CLG is not transparent, we do not know the extent to which future economic cycles are already taken into account.
- 1.16. We propose therefore a new regional apportionment based on the evidence available at the time of the EiP. We consider our recommendations will enable the Policy to meet the tests of soundness in PPS11.

---

<sup>7</sup> Mineral Policy Statement 1 Planning and Minerals 2006 CLG (CD2.12)

<sup>8</sup> National and Regional Guidelines for Aggregates Provision in England: 2005 to 2020 (CD 2.9)

<sup>9</sup> Planning Policy Statement 11 Regional Spatial Strategies 2004 and Technical Amendments 2009 CLG (CD2 6)

## **Acknowledgements**

- 1.17. We are grateful to all the organisations and individuals who participated in the EiP, in particular the officers of the South East of England Partnership Board. We thank the staff of the Government Office for the South East in helping arrange the EiP. We express our appreciation to the local authorities who collaborated in the preparation of the data.
- 1.18. We thank the Planning Inspectorate for providing the staffing and facilities at its Bristol office to enable the organisation of the EiP.
- 1.19. We thank the conference staff of the Penta Hotel, Reading for their assistance in staging the EiP.

## 2. The Regional Guideline Figures for Land-won Sand and Gravel and Crushed Rock

### Introduction

- 2.1. The primary purpose of this Partial Review is to give effect to recommendation R11.3 of the Panel that considered an earlier review and reported in December 2004<sup>10</sup>. That recommendation acknowledged the work that had been started by a newly formed Minerals Review Group to find a methodology more rounded and forward-looking than the previously-used ‘past sales’ method on which to base a revised sub-regional apportionment for inclusion in the next review of minerals policies. Paragraph 11.3.8 of that report recorded the Panel’s agreement that an early review of the sub-regional apportionment was vitally necessary.
- 2.2. During the period of preparation of this Partial Review the Department for Communities and Local Government (CLG) published, for consultation, draft revised national and regional guidelines for aggregates provision in England for the period 2005 - 2020<sup>11</sup>. This reduced the guideline figure for the South East of England from 13.25 mtpa to 12.18 mtpa. SEERA wrote a critical response arguing, in part, that the final guidelines should apply a further reduction in the amount of land-won sand and gravel that the region should be expected to provide and suggested that a rate of decline of about 32% should be applied to the (then) current guidelines figure<sup>12</sup>.
- 2.3. The recommendations for amending Policy M3, which as we note in chapter 1 were submitted in March 2009, make provision for land-won sand and gravel at an annual average of 9.01 mtpa for the period 2010 – 2026 which represents a 32% reduction on the previous annual average of 13.25 mtpa<sup>13</sup>. However, in June 2009, CLG issued the final national and regional guidelines<sup>14</sup>. With respect to the South East region the amounts for land-won sand and gravel and crushed rock were unchanged from the consultation draft. The required annual average for land-won sand and gravel in the published national and regional guidelines is therefore 12.18 mtpa. SEEPB has not suggested that this final figure should be reflected in Policy M3.
- 2.4. SEEPB has accepted the guideline figure for crushed rock; this is reflected in Policy M3 and was not explicitly challenged by any of those making representations on the submitted Partial Review. Although we believe it is also necessary to consider this further, in this chapter we focus on whether the Partial Review Policy M3 makes adequate provision for land-won sand and gravel during the plan period of 2010 – 2026.

---

<sup>10</sup> RPG9-Review of Waste and Minerals Examination in Public Panel Report (CD 2.15)

<sup>11</sup> Draft revised National and Regional Guidelines for Aggregates Provision in England: 2005 to 2020 (CD 2.10)

<sup>12</sup> SEERA consultation response dated 18 June 2008 (CD 1.47)

<sup>13</sup> CD1.2

<sup>14</sup> National and Regional Guidelines for Aggregates Provision in England: 2005 to 2020 (CD 2.9)

## National minerals policy

- 2.5. One of the national objectives for mineral planning is ‘to secure adequate and steady supplies of minerals needed by society and the economy within the limits set by the environment, assessed through sustainability appraisal, without irreversible damage’<sup>15</sup>. Ancillary policy objectives for aggregates are set out and, in summary, include
- encouraging the use of alternative aggregates in preference to primary aggregate;
  - encouraging the supply of marine-dredged sand and gravel where environmentally acceptable within the principles of sustainable development; and
  - providing the remainder of the required supply from land-won sand and gravel and crushed rock<sup>16</sup>.
- 2.6. For the last 30 years or so the achievement of these objectives has been delivered through the managed aggregates supply system (MASS). Its purpose is to help the planning system address effectively the imbalances that exist in minerals supply and demand at national level. For example, the London, South East and North West regions are substantial net importers of aggregates while the East Midlands and South West regions are significant net exporters. One of the outputs of MASS is the national and regional guidelines for aggregates provision in England (hereafter referred to as ‘the guidelines’) which are published at intervals and are intended to assist the regional planning process. We return to consider in more detail the way in which they are produced later in this chapter but would note here that the Regional Aggregate Working Parties (RAWPS), guided by the National Co-ordinating Group (NCG) have an important role in the process. RAWPS comprise officer representatives from the region’s mineral planning authorities (MPAs), central government (usually the region’s government office), the aggregates industry and other specialist and environmental interest groups.
- 2.7. At this point it is sufficient to note that the guidelines are forecasts of mineral consumption at the national and regional level. Total demand for all aggregates, including imports and alternative materials, is forecast. Assumptions are then made regarding the amount that will be met from alternatives and net imports to England leaving a figure for the consumption to be met from primary aggregate production in England. The imbalances inherent in the supply system are then accounted for by expressing regional sales as a proportion of regional consumption. In the South East this figure is some 84%<sup>17</sup> giving some 341 million tonnes to be produced within the region over the period 2005 - 2020. This is further broken down into crushed rock, land won sand and gravel and marine sand and gravel. It is the first two of these that is the subject of this Partial Review.

---

<sup>15</sup> MPS1, paragraph 9 (CD 2.12)

<sup>16</sup> MPS1, Annex 1, paragraph 2.1 (CD 2.12)

<sup>17</sup> Draft Revised National and Regional Guidelines for Aggregates Provision in England: 2005 – 2020, Table 13 (CD 2.10)

- 2.8. We believe that MPS1 is clear that it is the published guideline figure that should be apportioned by the regional planning bodies in collaboration with the constituent MPAs taking account of technical advice from, in this case, the South East England Regional Aggregate Working Party (SEERAWP)<sup>18</sup>.
- 2.9. We consider that MPS1 is also clear that the guidelines should be subject to testing of their practicality and environmental acceptability at the local level and that, where practicable, any shortfall in one part of the region should be made up for elsewhere in the same region<sup>19</sup>. However, we further believe that it is implicit from paragraph 4 of the latest guidelines for 2005 - 2020 (issued in 2009) that a Regional Assembly could come to the view that its figures for either or both land-won sand and gravel and crushed rock could not be met at acceptable environmental cost<sup>20</sup> since the next sentence then refers to testing of the *apportioned* supply (*our emphasis*). We therefore believe the process to be iterative and gain support for this view from the statement made at the Preliminary Meeting seminar by a representative of CLG<sup>21</sup>.

### The approach of SEEPB

- 2.10. SEERA and (now) SEEPB have consistently held the view that the guidelines overstate production in the region. In part, this contributed to the ‘undershoot’ of the national guidelines for land-won sand and gravel put forward and considered in the previous RPG9 review. The Panel concluded then on the evidence that the case had not been made<sup>22</sup>. In the light of this we now consider how SEEPB (SEERA) came to conclude that submitted Policy M3 should again substantially undershoot the land-won sand and gravel guideline figure.
- 2.11. On 23 April 2008 SEERAWP considered the draft revised guidelines. Some MPAs expressed reservations that the figure for sand and gravel was not much less than the existing (2003) apportionment even though sales in the South East had been in steep decline over the last decade and recent sales were well below the proposed guideline figure. Nevertheless, it was recognised that the figures had been under scrutiny at the national level through NCG and that it would not be possible to challenge them at this stage. SEERAWP therefore decided that, *inter alia*, no objection should be raised to the apportionment figures for the South East Region<sup>23</sup>.
- 2.12. Officers reported the consultation draft guidelines to the SEERA Regional Planning Committee (RPC) meeting on 21 May 2008<sup>24</sup>. Although otherwise comprehensive, there is no explicit reference to the view of SEERAWP in the report. The recommendation was that the draft guidelines be reviewed to reflect actual consumption and sales trends with a rate of decline of some 32% applied to the

---

<sup>18</sup> MPS1, Annex 1, paragraph 3.2 (CD 2.12)

<sup>19</sup> MPS1, Annex 1, paragraphs 3.8 and 3.4 (CD 2.12)

<sup>20</sup> ‘The Regional Assembly should consult its constituent MPAs and the RAWP to determine whether the regional guideline can be met at acceptable environmental cost’. Paragraph 4 (CD2.9)

<sup>21</sup> Notes of the Q&A seminar, 21 July 2009

<sup>22</sup> RPG9-Review of Waste and Minerals Examination in Public Panel Report, section 10.2 (CD 2.15)

<sup>23</sup> Minutes of the Meeting of SEERAWP held on 23 April 2008 (CD 1.15)

<sup>24</sup> Consultation on draft revised national and regional guidelines for aggregates provision in England: 2005 – 2020 (CD 1.46)

current (2003) guidelines figure for sand and gravel. Although this percentage reduction was not explicitly adopted in the RPC's resolution<sup>25</sup> it figured prominently in the SEERA response to CLG<sup>26</sup>. Also, during May 2008, SEERA consulted upon options for reviewing the sub regional apportionment methodology<sup>27</sup>. Notwithstanding SEERA's objection to it, the document uses the consultation draft guideline figure of 12.18 mtpa.

- 2.13. The consultation document was the subject of a special SEERAWP meeting on 1 September 2008 called by officers of SEERA to seek the advice of SEERAWP prior to reporting to the RPC on the consultation. In essence, it seems to us from the minutes that SEERAWP assumed the matter would be taken forward on the basis of the draft guidelines figure of 12.18 mtpa and strongly opposed a proposal that his should be referred to as a maximum<sup>28</sup>.
- 2.14. On 24 September 2008 RPC considered a report on the consultation on options for amending the sub-regional allocation of primary land-won aggregates set out in Policy M3 of RPG9 and the (then) draft South East Plan<sup>29</sup>. Paragraph 5.2 of the minutes records that the recommendation was influenced by the outcome of detailed discussions with SEERAWP and the first bullet of paragraph 5.3 recommends that the apportionment be applied to the draft guideline figure of 12.18 mtpa for sand and gravel and 1.56 mtpa for crushed rock. After what appears to be a lengthy debate RPC resolved that the regional total of sand and gravel to be apportioned should be 9.01 mtpa.
- 2.15. Following further officer discussions with the MPAs, both individually and collectively, about the apportionment option that was most appropriate, RPC resolved at its meeting on 26 November 2008 that the officers' recommendation to the RPC be amended to the effect that RPC's 'support is confirmed for the variation of option E *conditional on the 9.01 mtpa being the apportionment figure*' (*our emphasis*)<sup>30</sup>. This recommendation was endorsed by the Executive Committee on 12 December 2008<sup>31</sup>.
- 2.16. In October 2008 SEERA commissioned Green Balance to review:
- The basis for the guidelines; and
  - Potential reasons for sales in the region being consistently below the guidelines figures<sup>32</sup>.

At the EiP Green Balance confirmed that its remit did not include recommendation of a figure for inclusion in submitted Policy M3. The report<sup>33</sup> post-dates the

---

<sup>25</sup> Minutes of the meeting on 21 May 2008 (CD 1.45)

<sup>26</sup> SEERA letter dated 18 June 2008, paragraph 1.10 (CD 1.47)

<sup>27</sup> Review of Sub regional Allocation of Land-won Aggregates – Consultation Document (CD 1.7)

<sup>28</sup> Minutes of Special Meeting of SEERAWP held on 1 September 2008, paragraphs 8.2 and 10.1, (CD 1.16)

<sup>29</sup> SEERA RPC Minutes of meeting held on 24 September 2008 (CD 1.13)

<sup>30</sup> SEERA RPC Minutes of meeting held on 26 November 2008 (CD 1.28)

<sup>31</sup> SEERA Executive Committee Minutes of meeting held on 12 December 2008 (CD 1.34)

<sup>32</sup> SEEPB Matter A1 statement, paragraph 8

Executive Committee's resolution and self evidently could not inform the submitted Partial Review Policy M3.

- 2.17. Officers from SEEPB confirmed at the Preliminary Meeting Seminar that a political choice had been made in selecting the 9.01 mtpa figure. They further confirmed that the justification for it was evident in the SEERA response to CLG on the proposed guidelines which had been through RPC beforehand. The 32% reduction that has been applied to the 2003 guideline figure of 13.25 mtpa represents the fall in sales of sand and gravel experienced in the region from 12.9 million tonnes in 1997 to 8.8 million tonnes in 2006, a decline of 32%<sup>34</sup>. In addition, the report noted that actual consumption of primary aggregates in the South East had declined by 38% between 2001 and 2005 which was not reflected in the draft guidelines<sup>35</sup>. At the EiP SEEPB pointed out the latest demand forecasts for total aggregates consumption in the South East region indicate a decline of 21% between 2001 and 2016.
- 2.18. It seems to us from both the debates held within the RPC and the discussion during the EiP that, in making this choice, foremost in the members' consideration were the issues of deliverability and public acceptability. A number of MPAs stressed that both the minerals development documents (MDD) and the individual sites required to achieve the guideline figure had to be delivered in the context of a widely held view that there was clear evidence of sales in the region running substantially and consistently below the national forecasts. It was put to us therefore that that the guideline figure had to be deliverable and publicly acceptable and that the submitted 9.01 mtpa met this test.

### **Is the 9.01 mtpa figure for land-won sand and gravel supported by the evidence?**

2.19. There are four main data sources for aggregates. These are:

- The Annual Minerals Raised Inquiry (AMRI) undertaken by the Office for National Statistics which records the volume and value of extractors' sales of non-energy minerals including aggregates;
- Aggregate Minerals (AM) surveys carried out every four years and providing information on regional and national sales, flows, transportation, consumption and permitted reserves of primary aggregates in England and Wales;
- Surveys of alternative aggregates providing data on their arisings and use; and

---

<sup>33</sup> Review of the Basis for the National and Regional Guidelines for Aggregates Provision 2005 – 2020 as Applied to South East England January 2009 (CD 1.9)

<sup>34</sup> Consultation on draft revised national and regional guidelines for aggregates provision in England: 2005 – 2020, paragraph 4.4.1 (CD 1.46)

<sup>35</sup> Consultation on draft revised national and regional guidelines for aggregates provision in England: 2005 – 2020, section 4.3 (CD 1.46)

- Annual Monitoring Reports (AMR) published by each RAWP and including information on aggregates supply, uses, planning applications, permissions and refusals and permitted reserves<sup>36</sup>.

Only the AM surveys provide information on aggregate consumption and it is our understanding that only those surveys in 2001 and 2005 have been carried out on the current regional boundaries for the South East<sup>37</sup>. The next survey is due in 2009 but that information is not yet available.

- 2.20. As we have already noted, the guidelines are based on forecasts of consumption at national and regional level [2.7]. It is clear from various parts of the draft guidelines<sup>38</sup> that AM2005 was central to the derivation of the figures put forward and ultimately confirmed. In particular, a worked example is given in paragraph A22(e) to show, coincidentally for the South East region, how the 'production of primary aggregates' figure for a region is calculated. What is said is that total sales of aggregates from the region are expressed as a percentage of total consumption of aggregates in the region (excluding consumption met by alternatives and by net imports to England). As it is the total sales rather than the sales of aggregates raised and then sold within the region which is used, the inter-regional flows are taken into account. When applied to the forecasts of future consumption in order to derive the aggregates guidelines this ratio is assumed to stay constant.
- 2.21. Our understanding is, therefore, that the regional guideline figures should be interpreted as being the aggregates production required within a region in order to sustain national consumption over the forecast period, in this case 2005 – 2020. Not all of that production will be 'consumed' within the region but, equally, in regions like the South East, not all of their 'consumption' will be met from in-region production. Given the way the data is collected, the AMR surveys appear to be the most reliable measure, particularly in the intervening years between AM surveys, of whether or not the guideline production is being achieved.
- 2.22. SEERAWP data records that for every year since and including 1999 sales of both land-won sand and gravels and crushed rock (except for 2001) has been below the respective guideline figure<sup>39</sup>. None of the participants sought to disagree with this although there were differences of view as to why this had occurred or whether it demonstrated that the guidelines overstated demand.
- 2.23. Mineral Products Association (MPA) in both its written<sup>40</sup> and oral evidence expressed some caution with regard to the data since, in its view, there are significant difficulties in tracking aggregates to the point of use. Grondon illustrated the point with reference to concrete blocks for paving drives. The aggregates sold would be recorded at the point of extraction and manufacture. They could well then

---

<sup>36</sup> Managing Aggregates Supply in England, paragraph 3.1.4 (CD 5.9)

<sup>37</sup> Review of the Basis for the National and Regional Guidelines for Aggregates Provision 2005 – 2020 as Applied to South East England January 2009, paragraph 1.5 (CD 1.9)

<sup>38</sup> Draft Revised National and Regional Guidelines for Aggregates Provision in England: 2005 – 2020, paragraphs 13, 14 and A13 for example (CD 2.10)

<sup>39</sup> Draft South East Aggregates Monitoring Report 2008 Tables 3 and 5 (CD 5.6)

<sup>40</sup> Section 10 (CD 5.13)

be transferred to a building materials merchant at a specific location but consumed, through that merchant's supply chain, anywhere in the country. This would not be picked up by the surveys and could be significant. A similar situation would arise with bagged aggregates. Therefore consumption may not be in the area of aggregate production but this would not be captured by the data.

- 2.24. Surrounding regions, particularly those such as the South West and the East Midlands which export large quantities of crushed rock, were concerned that a shortfall in sand and gravel production in the South East would be made up by imports of crushed rock from their areas. This is a difficult area as Green Balance acknowledged<sup>41</sup> and the last year for which data is available is 2005. In its combined statement the East Midlands and the South West Councils provided some data for the period 1989 to 2005<sup>42</sup>.
- 2.25. For the East Midlands the picture is one of slightly declining crushed rock sales over the period, a relatively constant level of exports (and therefore a rising percentage of sales being exported) but with exports to the South East in 2001 and 2005 being noticeably higher in absolute terms and as a percentage of both all East Midlands sales and exports. For the South West the picture is slightly less clear. Overall sales have declined from some 38 million tonnes in 1989 to some 22 million tonnes in 2005. Exports similarly declined in both absolute and percentage terms. However, the percentage of exports going to the South East rose from some 77.7% in 1989 to some 92% and 91% in 2001 and 2005 respectively.
- 2.26. MPA expressed the same reservations that we have referred to above regarding undercounting of crushed rock sales in surveys and noted the danger of relying on just two data points<sup>43</sup>. However, SEERAWP argued the significant decline in sand and gravel sales had not been matched by any evidence of an increase in imports from other regions and that movements into region through rail depots had not increased. Nevertheless, we note SEERAWP acknowledged imports into the South East by road were a 'missing element' in the analysis of the years between AM surveys<sup>44</sup>.
- 2.27. It was common ground at the EiP that data on alternative materials is not yet well developed. Green Balance acknowledged data is unlikely to be as accurate as that for primary aggregates<sup>45</sup> and SEERAWP noted there had been a limited level of returns for this material stream<sup>46</sup>. Further concerns were raised in respect of road plantings and other construction site recycled aggregates which tended to be used at the point of generation thus avoiding capture in any surveys.

---

<sup>41</sup> Review of the Basis for the National and Regional Guidelines for Aggregates Provision 2005 – 2020 as Applied to South East England January 2009, paragraph 7.41 (CD 1.9)

<sup>42</sup> East of England Regional Assembly, East of England RAWP, Essex CC, East Midlands RAWP and South West Councils combined statement Matters A1 – A5 corrected Appendix 2

<sup>43</sup> Section 8, CD 5.13

<sup>44</sup> Draft South East Aggregates Monitoring Report 2008 paragraph 8.2 (CD 5.6)

<sup>45</sup> Review of the Basis for the National and Regional Guidelines for Aggregates Provision 2005 – 2020 as Applied to South East England January 2009, paragraph 7.15 (CD 1.9)

<sup>46</sup> Draft South East Aggregates Monitoring Report 2008 paragraph 9.1 (CD 5.6)

- 2.28. In the light of the above we consider that there are too many uncertainties and anomalies in the data to conclude that the consistent shortfall of recorded sales against the guideline figure is indicative, of itself, that the guidelines overstate demand within the region. In any event, we note SEERA considered the broad principles and main assumptions underlying the forecasting model used by CLG to derive the guidelines to be robust and that it welcomed the approach taken as providing a useful basis to replace the 2003 guidelines<sup>47</sup>, though SEEPB expressed concerns about the lack of transparency with the workings of the model. The decision to accept the guideline figure for crushed rock, which was derived through the same process, is consistent with this stance.
- 2.29. There is therefore a lack of logic in applying any percentage reduction to the 2003 guidelines figure of 13.25 mtpa to derive a new guideline figure for 2010 – 2026 since the base figure itself was produced using different and superseded modelling assumptions. Although, as we have noted above [2.12], the derivation of the 32% is clear it is, nevertheless, arbitrary since measurement of decline over a different period would produce another outcome. Furthermore, it seems to us that if SEERA/SEEPB considered sales to be a better reflection of past (and therefore future) demand, then it would have been more rational to have based the figure to be apportioned in Policy M3 on this. However, we note annual sales averaged over either of the past 10 or 5 years are at least some 0.06 mtpa above the submitted figure of 9.01 mtpa<sup>48</sup>. Moreover, we can find no clear reasoning as to why SEERA/SEEPB did not accept the guidance of SEERAWP that the guideline figure of 12.18 mtpa should be adopted. Furthermore, there is no evidence that the likely environmental impacts of the extraction implied by the guidelines were explicitly considered.
- 2.30. For all these reasons we do not consider the submitted guideline figure of 9.01 mtpa is supported by the evidence put before us and, in that sense, the case has not been made for departing from national policy set out in MPS1 [2.8]. We therefore consider the Partial Review does not meet soundness criteria (iii) in this regard<sup>49</sup>

### **What figures for land-won sand and gravel and crushed rock should be used in Policy M3?**

#### *Land-won sand and gravel*

- 2.31. At the heart of this issue is what many participants and those making representations see as a significant and consistent disconnect between the outcome of the modelling that CLG relies upon when producing the guidelines and what the various aggregates surveys suggest is actually happening on the ground. We examined this in some detail at the EiP as it is critical to our judgement about the figure that we should recommend for inclusion in Policy M3 for subsequent sub regional apportionment.

---

<sup>47</sup> SEERA letter dated 18 June 2008, paragraph 1.1 (CD 1.47)

<sup>48</sup> Draft South East Aggregates Monitoring Report 2008 Table 3 (CD 5.6)

<sup>49</sup> Planning Policy Statement 11: Regional Spatial Strategies, paragraph 2.49 (CD 2.6)

- 2.32. The modelling approach used is set out in several documents and was further explained by CLG during the EiP. However, it is perhaps most comprehensively explained in Annex A of the CLG consultation paper<sup>50</sup>. At one level the model is simple and well understood. It relates aggregates consumption to construction activity by means of a regression equation. Construction activity is broken down into two broad categories based on the intensity of use of aggregates and account is taken of changes in intensity of use in the construction industry as measured over time. Aggregate use is then grown from the average of three years' data on the basis of predicted growth in Gross Value Added (GVA) with allowances also made for the impact of the aggregates levy. Although the regional forecasts appear to be prepared in a similar way the limitations of the data are acknowledged and a cautionary note given to the effect that the regional level estimates are subject to more uncertainty than the national level forecasts<sup>51</sup>.
- 2.33. CLG confirmed the model is an economic one that relies both on econometric modelling techniques and a series of economic data, including construction activity<sup>52</sup>; it is not subject to any environmental testing or sustainability appraisal.
- 2.34. At the core of the process is the model developed by Cambridge Econometrics together with the assumptions that underlay it. CLG is not able to release this information into the public domain due to the commercial confidentiality of information. There is therefore what Green Balance characterised as a 'black box' at the centre of the guidelines development process. At another level therefore we consider that the model is not transparent, cannot be fully understood and the outputs from it thus incapable of challenge. This view was expressed by several participants<sup>53</sup>. It also underpinned a conclusion of the British Geological Survey (BGS) report that steps could be taken to improve the efficiency and effectiveness of the current MASS and its acceptability to stakeholders<sup>54</sup>.
- 2.35. Our understanding of regression analysis is that it seeks to predict the value of the outcome or dependent variable (in this case national aggregates consumption) through the linear combination of the possible explanatory variables. Each explanatory variable is assigned a regression coefficient derived from study data. We therefore agree with Green Balance that one drawback of the analysis could be seen as primarily seeking to explain the past. However, the degree to which the amount of variation in the dependent variable is accounted for by variation in the explanatory variables influences the degree of confidence with which future variation in the dependent variable can be predicted by the regression equation. This is measured by the value of the coefficient of determination ( $R^2$ ) and the closer this value is to 1, the better the regression model can be said to be accounting for all the variation in the dependent variable.

---

<sup>50</sup> Draft Revised National and Regional Guidelines for Aggregates Provision in England: 2005 – 2020, (CD 2.10)

<sup>51</sup> Draft Revised National and Regional Guidelines for Aggregates Provision in England: 2005 – 2020, paragraph A19 (CD 2.10)

<sup>52</sup> CLG letter dated 13 August 2009, (CD 5.2)

<sup>53</sup> See for example paragraph 5.2 of the representation by Hampshire CC and SWRAWP statement A1.

<sup>54</sup> Managing aggregates supply in England, see paragraph 6.3.3, recommendation 3 (b) and appendix 4, paragraph 4.4.2 (CD 5.9)

- 2.36. In this case CLG states the  $R^2$  value is 0.8 which it argues indicates a high goodness of fit of the model<sup>55</sup>. At the EiP CLG stated the longer run of data which was used in establishing the regression coefficients, the more accurate they became and the more effective the model was at smoothing out the spikes and troughs for individual years. Industry representatives supported the use of the model largely on the basis it had stood the test of time and had assisted in achieving the main objective of national mineral policy. Similar views were expressed by those from other regions who were additionally concerned that, since neither the methodology nor the national figure had been challenged by SEEPB, any unilateral reduction in the region's guideline figure would imply an increased demand on other areas to make good the shortfall.
- 2.37. On the other hand Green Balance observed every official demand forecast at national level since 1991 has over-estimated aggregates demand for every single year<sup>56</sup>. Hampshire CC expressed the view, albeit based on anecdotal evidence, that the construction industry was becoming increasingly efficient in its use of aggregates as shown by on-site recycling, and that many modern buildings were using non-aggregates based materials. Queries were raised, in the light of the previously mentioned issue of a lack of transparency in the modelling assumptions, whether the regression coefficients properly reflected these trends.
- 2.38. While we accept the generality of the argument advanced by CLG, the 'goodness of fit' seems to be much better in the early years of the time series than in the later years. From the graph at paragraph A7<sup>57</sup> it appears from the early 1990s there was greater volatility in the degree to which the fitted values from the model matched the actual consumption data. In addition, while the forecasts from both the 2003 and the 2009 guidelines show a steady year-on-year rise in primary aggregates consumption, in contrast, the actual data where given (2001 - 2005) shows a steady year-on-year fall<sup>58</sup>. Indeed CLG acknowledged there had been a 13% decline for England in primary aggregates consumption between 2001 and 2005 which itself masks some wide variations at regional level with a 38% decline recorded for the South East<sup>59</sup>.
- 2.39. This argument formed part of the case put by SEERA to CLG when it responded to the draft revised guidelines. As a result, CLG re-ran the model as part of a sensitivity testing. At the EiP CLG explained this was a partial update only using more recent GVA, primary aggregates consumption and construction data. It was stated the re-run gave a sense of the direction in which the forecasts were moving which would be likely to be confirmed when full data was available. Although the resulting reduction at national level was some 66 million tonnes (2.6%) this again masked wide regional variations with the South East showing the greatest reductions of 2 million tonnes for crushed rock and 17 million tonnes for sand and gravel over

---

<sup>55</sup> CLG letter dated 13 August 2009, (CD 5.2)

<sup>56</sup> Fixing the Forecasting Folly (CD 5.16)

<sup>57</sup> Draft Revised National and Regional Guidelines for Aggregates Provision in England: 2005 – 2020, paragraph A7 (CD 2.10)

<sup>58</sup> Draft Revised National and Regional Guidelines for Aggregates Provision in England: 2005 – 2020, Table 8 (CD 2.10)

<sup>59</sup> Draft Revised National and Regional Guidelines for Aggregates Provision in England: 2005 – 2020, paragraph A17 and Table 9 (CD 2.10)

the period. This amounted to a further reduction in the forecast requirement for land-won aggregates from the region of some 8.6% in what was a relatively short period between the two runs of the model<sup>60</sup>. The revised land-won sand and gravel figure that would result is 11.12 mtpa.

- 2.40. We consider the principles of the modelling process, which include forecasts of future aggregate using activity and the intensity of the aggregates use in those activities, are sound. The model is therefore preferable to alternative methods such as past sales which are essentially backward looking. However, given the clear downward direction of successive forecasts, it appears there may now be a time lag at national level between what the model predicts and what is actually happening on the ground.
- 2.41. In particular, although the reasons are not clear, the evidence presented leads us to the conclusion that the model used by CLG does not provide reliable forecasts of aggregates consumption in the South East. As this is a critical component in the way the regional guidelines are built up [see 2.7 and 2.21] we cannot be confident the guideline figure for sand and gravel of 12.18 mtpa should be included in Policy M3. We appreciate the practical difficulties that may have been caused had CLG acted upon the output of the re-run model. Nevertheless, it was not clear to us from either the oral or the written evidence given whether this was actively considered and, if it was, the reason why the guidelines were not revised downwards, particularly as it appeared to reinforce the general downward trend of the model outcomes.
- 2.42. We are aware that further data may become available from AM2009 which will allow this matter to be considered in more detail prior to the Secretary of State's publication of any Proposed Changes to this Partial Review. We therefore conclude that the regional guideline figure for land-won sand and gravel should be no more than the 11.12 mtpa suggested by the outcome of the CLG sensitivity testing and recommend accordingly. If our recommendations are accepted by the Secretary of State this raises the question as to whether this leads to a reduction in the national figure or a redistribution of the 'shortfall' between the other regions. This question is beyond our remit.

#### Crushed rock

- 2.43. As we have noted, the regional guideline figure for crushed rock was reduced by 2 million tonnes, an 8% fall [2.39]. For similar reasons to those discussed in the preceding part of our report, we see no reason why the regional guideline figure to be apportioned should not be reduced to this level and recommend accordingly.

### **Are the wharf facilities in the region capable of delivering the assumed contribution from marine dredged sand and gravel and ex-England imports?**

- 2.44. Policy M5 of the South East Plan requires MPAs to assess the need for wharf and rail facilities and identify strategic sites for safeguarding in their minerals

---

<sup>60</sup> CLG letter dated 13 August 2009, (CD 5.2)

development frameworks. It also requires these strategic facilities to be safeguarded from other inappropriate development in Local Development Documents. The submitted Partial Review proposes a new paragraph referring to this policy, emphasising that its implementation is critical to ensuring that the region's needs are met and that the balance between land-won aggregates, imports and marine dredged materials is delivered.

- 2.45. Associated British Ports (ABP) has drawn our attention to the fact that, since the Port of Southampton is no longer available for the importation of aggregates, there must be some doubt about the achievement of the assumptions made for marine dredged sand and gravel and imported crushed rock. While not seeking a site specific reference in the Partial Review, ABP considers some guidance should be given regarding the capacity needed and its general location to ensure that Policy M5 is implemented at local level.
- 2.46. Policy M5 is not before us and is thus outside our remit. We sympathise with the SEEPB view that it is for CLG to confirm that the assumptions about the contributions from marine dredged sand and gravel and imported crushed rock that underlay the guidelines are achievable<sup>61</sup>. However, our understanding is that deliverability is not a consideration in the formulation of the guidelines and it is therefore a regional matter since any shortfall in either of the assumed contributions could have implications for the provision from land-won aggregates. Policy M3 could therefore be vulnerable if the assumptions are not achievable.
- 2.47. The evidence of the various studies of aggregates wharves and rail depots in the South East of England that have been submitted<sup>62</sup> is that there is ample current wharf capacity to accommodate the landings assumed in the guidelines<sup>63</sup>. Notwithstanding the reservations expressed by Grundon at the EiP regarding the precise nature of the Kent study<sup>64</sup> there seems to us to be sufficient flexibility within the totality of the system for this general conclusion to hold true.
- 2.48. However, we do have two specific concerns. The first of these relates to the way marine dredged sand and gravel will be won once the current licenses are replaced by new ones. The evidence from industry at the EiP was that the resource is likely to be exploited by larger vessels and that some of the wharves now used may not be suitable in future. The second relates to the general location of what we understand to be the only other wharves through which sea-borne crushed rock may be landed. These are on the north Kent coast (subject of a current planning application) and the Isle of Grain which are remote from many parts of the region thus raising a number of issues regarding the onward transportation of the material, particularly if this is by road.
- 2.49. We do not consider we have sufficient evidence to make general observations about either of these concerns and agree with SEEPB that this is a matter more appropriately addressed through a review of Policy M5. On the issue of the

---

<sup>61</sup> SEEPB Matter C1 statement, paragraph 10

<sup>62</sup> CDs 1.36 to 1.43 inclusive

<sup>63</sup> SEEPB Matter C1 statement, paragraphs 8 to 10

<sup>64</sup> Kent Aggregate Imports Study February 2006 (CD 1.41)

deliverability of the guidelines in the absence of the facility at Southampton since 2006, we are reassured by the limited evidence of SEERAWP for 2007 and 2008 that the overall effect has been limited if evident at all. We do not therefore consider the regional guideline figure should be further amended for this reason and see no reason to alter our earlier conclusion [2.42].

## 3. Sub Regional Apportionment

### Introduction

- 3.1. We referred earlier to the primary purpose of this Partial Review [2.1]. We now turn to consider the approach that SEEPB has taken in responding to the previous Panel's recommendation and come to our conclusions on the methodology chosen to derive the sub regional apportionments indicated in submitted Policy M3. In doing so we have had regard to the advice in MPS1 that the apportionment should be subject to sustainability appraisal incorporating strategic environmental assessment<sup>65</sup>.
- 3.2. We then consider the implications arising from the apportionments of the land-won sand and gravel figure of 11.12 mtpa (the tonnage we consider to be appropriate) for each of the MPAs. We believe this is necessary in the light of the advice in the published guidelines<sup>66</sup>, the similar statement in the penultimate paragraph of the Chief Planner's letter to chief planning officers<sup>67</sup> and the answer given by CLG at the Preliminary Meeting Seminar on 21 July 2009 that this EiP was the forum for that testing in the South East region<sup>68</sup>. While we are not proposing that the regional figure should be built through a 'bottom up' approach, a view about the environmental acceptability of the global figure can only sensibly be arrived at by looking at the particular circumstances in each area.
- 3.3. Finally, we consider whether the methodology underpinning the submitted apportionment of the guideline figure for crushed rock should be changed.

### The apportionment methodology to be used

- 3.4. Consultants appointed by SEERA developed six options each of which moved away from the current 'past sales' method of sub regional apportionment. All options comprised the same four criteria<sup>69</sup> but the weightings applied to each varied according to the emphasis of the option. From these, three were selected and subject to consultation between 15 May and 8 August 2008<sup>70</sup>. These were option C – 'demand' - which was weighted 70% to construction demand; option D – 'environmental' - weighted 70% to international and national environmental designations; and option E – 'demand and resources' - weighted 40% equally to construction demand and the unsterilised resource constrained by international designations. From these three, Option E was chosen but adjusted to provide a degree of transition from the current sales-only approach.

---

<sup>65</sup> MPS1 Annex 1, paragraph 3.2 (CD 2.12)

<sup>66</sup> National and Regional Guidelines for Aggregates Provision in England: 2005 to 2020 paragraph 4(CD 2.9)

<sup>67</sup> Chief Planner's letter dated 29 June 2009 (CD 2.14)

<sup>68</sup> Notes of the Q&A seminar, 21 July 2009

<sup>69</sup> Construction demand (split on a 1:9 ratio between future-measured by housing provision-and current-by existing population); past sales; unsterilised resource outside international designations and unsterilised resource outside international designations and outside of national designations.

<sup>70</sup> Partial Review of RPG9 and the draft South East Plan: review of sub-regional allocation of land-won aggregates (CD 1.7)

- 3.5. It is not our intention to review in detail the process by which SEERA came to base the apportionment on an adjusted Option E since this is very clearly explained in the evidence<sup>71</sup>. We note the support of most of the MPAs for the chosen option is conditional upon it being applied to a figure no higher than the 9.01 mtpa in submitted Policy M3. The position of MPA on the other hand is that it has not been shown that the chosen, or any other, option is clearly preferable to past sales and that this should therefore continue to be used. Little attention has been paid to the implications of the methodology for the apportionment of crushed rock.
- 3.6. With regard to land-won sand and gravel, we appreciate that the position of the MPAs with regard to the apportionment option is consistent with their reasoning for supporting a guideline figure of 9.01 mtpa; in essence it is a concern that the apportionment must be locally deliverable. However we believe that is a separate issue to which we return later. At this stage we need to identify an apportionment method which meets the previous panel's recommendation, that is robust and that can be applied consistently across the whole region.
- 3.7. When we put the question in those terms at the EiP there was a considerable degree of support for the proposition from Oxfordshire CC that the most important criteria to consider in any apportionment process are the extent of the mineral resource and the demand for it. It was suggested, at the strategic level, environmental designations are less important as they can be considered through the preparation of MDDs. Only those representing Milton Keynes Council among the MPAs and Milton Keynes North East Area Consultative Forum (MKNE) firmly opposed this view. MPA also supported this position on the basis that commercial decisions about mineral extraction would be most heavily influenced by the availability of the mineral resource and the demand for the mineral won. This would then be reflected in production/sales from that area and MPA therefore maintained its position that past sales remained as good a basis as any for the apportionment unless a strong case could be made for a better approach.
- 3.8. We do not agree with MPA that past sales should continue to be used to apportion the regional guideline figure. This is backward-looking, serves only to reinforce past patterns of planning permissions obtained and takes no account of resource depletion or quality, changing demand resulting from approved spatial development patterns or recent developments in changing building techniques and use of alternative materials.
- 3.9. Option E, without the added transitional element, most closely reflects the application of the criteria which found general support and we note RPC was advised SEERAWP considered Option E to be the most balanced option<sup>72</sup>. We have some concern that the BGS data used for the unsterilised resource has been shown to somewhat overstate its extent in those areas where MPAs have commissioned more detailed work for their mineral development document evidence base and that there is little information about the quality of the resource. However, we accept that at the strategic level it is important to use a data source which is consistent across the

---

<sup>71</sup> See particularly CD 1.2, CD 1.10, CD 1.19 – CD 1.22.

<sup>72</sup> Report to SEERA RPC meeting held on 24 September 2008 paragraph 3.19 first bullet point (CD 1.19)

whole area and to adjust it on the basis of more detailed local studies in those few areas where they have been undertaken could distort the outcome. We therefore agree this is a reasonable proxy for the ‘mineral resource’.

- 3.10. We appreciate there was a considerable debate regarding the way environmental constraints should be defined<sup>73</sup>. For similar reasons of consistent application of readily available data we accept the outcome is appropriate for the strategic level purpose and agree with SEEPB that these option constraints (including the 250 metre buffer) are not policy statements and do not therefore preclude mineral sites being permitted, subject to normal planning considerations, within these areas. We address this in Recommendation 8.
- 3.11. The ‘construction demand’ criterion reflects both new development and the demand for aggregates from the existing population. According to Grundon, the relationship between them (1:9) seems to have emerged in a fairly arbitrary manner and the actual figure may be closer to 1:20. However, on our understanding of the way the weightings are developed, a margin of this magnitude would not fundamentally alter the outcome of the process<sup>74</sup>. Housing appears to have been selected as the proxy for new development principally because of data availability. Nevertheless, full account was taken of the spatial strategy of the South East Plan<sup>75</sup> and SEEPB confirmed at the EiP that, although slightly higher, the final South East Plan housing figures were not significantly different in this context.
- 3.12. With respect to existing development we accept current population distributions throughout the region will take time to be affected by planned development which in any event focuses upon existing centres of activity. We therefore agree the approach taken to reflecting ‘construction demand’ was a pragmatic one in the circumstances of the data limitations set out<sup>76</sup>.
- 3.13. We therefore conclude the apportionment of land-won sand and gravel should be based on Option E. The remaining issue is whether there should be some adjustment to reflect past sales so as to smooth the transition from one apportionment method to the next.
- 3.14. This concept appears to have first emerged at the SEERAWP meeting on 1 September 2008 where an agreement emerged that the apportionment should be based on an application of Option A (past sales) followed by Option E (our emphasis)<sup>77</sup>. This was not accepted by RPC and, following further consultation with the MPAs, the adjusted Option E was accepted as the way forward by RPC on 28 November 2008<sup>78</sup>. However, in our judgement, discussions after 24 September 2008

---

<sup>73</sup> Primary Aggregates Sub-Regional Apportionment in South East England Final Report, paragraphs 2.39 to 2.47 (CD 1.10)

<sup>74</sup> Primary Aggregates Sub-Regional Apportionment in South East England Final Report, Appendix 1 (CD 1.10)

<sup>75</sup> Primary Aggregates Sub-Regional Apportionment in South East England Final Report, paragraph 2.17 (CD 1.10)

<sup>76</sup> Primary Aggregates Sub-Regional Apportionment in South East England Final Report, paragraphs 2.17 to 2.20 (CD 1.10)

<sup>77</sup> Report to SEERA RPC meeting held on 24 September 2008 paragraph 3.19 first bullet point (CD 1.19)

<sup>78</sup> SEERA RPC Minutes of meeting held on 26 November 2008 (CD 1.28)

were taking place in the knowledge that RPC wanted the regional total to be 9.01 mtpa<sup>79</sup>.

- 3.15. MPA and other industry representatives were of the view that it would be difficult for them to adjust productive capacity in the short term irrespective of the sub regional guideline figure in the early years. It seems to us also that MPAs will need time to reflect their new sub regional figure in MDDs and MPAs agreed at the EiP that the effect on landbank calculations from a phased approach would not be the same for all. There was therefore no enthusiasm for incorporating what, in effect, would be two different implied landbanks in Policy M3. In the light of all this, we are not persuaded there is any benefit to be gained from a transitional approach to Option E. In particular, the smoothing of the effect over the whole plan period which has been undertaken in the submitted Policy M3 seems to us to negate the entire purpose of the transitional approach. We therefore conclude Option E should be applied unadjusted and recommend accordingly. SEEPB confirmed at the EiP that, in the event of us concluding that the apportionment should be based on another of the options considered, table 4 in Appendix 3 of Land Use Consultants' Final Report should be used<sup>80</sup>.
- 3.16. Turning now to the apportionment of crushed rock, the strict application of Option E would see apportionments to Buckinghamshire, Isle of Wight, Kent, Milton Keynes and Oxfordshire. However, SEERAWP agreed that small apportionments should not be made for the three MPAs with no current production as it was unlikely such small operations would be implemented<sup>81</sup>. We see no reason to disagree with this approach and recommend the lower figure of 1.44 mtpa be apportioned to Kent and Oxfordshire on the same ratio (54.5 to 45.5) as in the submitted Policy M3.

### **Sustainability appraisal**

- 3.17. The approach used by consultants commissioned by SEERA/SEEPB is fully documented<sup>82</sup>. It follows national guidance although, given the strategic level at which the assessment has been carried out and what the consultants consider to be the non-spatial nature of the Partial Review, a large number of assumptions have been made and limitations noted.
- 3.18. Our most significant concern with the approach is echoed by Natural England<sup>83</sup>. Rather than assess the absolute impacts of the options, the consultants have studied the comparative impacts of each against the current apportionment. While we understand why no implied extraction rates have been assessed for any of the options, we have some sympathy for the view expressed on behalf of Milton Keynes Council at the EiP that there must come a point when the absolute impact needs to be considered.

---

<sup>79</sup> SEERA RPC Minutes of meeting held on 24 September 2008 (CD 1.13)

<sup>80</sup> Primary Aggregates Sub-Regional Apportionment in South East England Final Report, (CD 1.10)

<sup>81</sup> Minutes of Special Meeting of SEERAWP held on 1 September 2008, paragraph 7.1, (CD 1.16)

<sup>82</sup> Sustainability Appraisal Final Report (CD 1.11) and Habitats Regulations Assessment Screening Report (CD 1.12)

<sup>83</sup> Natural England Matter A1 to A5 Statement

- 3.19. However, we note the overall conclusion for the sand and gravel apportionment options was that there was little to differentiate between them with regards to the majority of the key sustainability issues and a similar conclusion was drawn in respect of crushed rock<sup>84</sup>. We also share the view of Natural England that the final paragraph of submitted Policy M3, which refers to the need for testing of deliverability through the preparation of MDDs including sustainability appraisal, gives proper safeguards that there will be further testing at local level. We are further reassured that MPS1 anticipates a mineral planning authority concluding on the outcome of that process that the sub regional apportionment is not practicable and sets out the method for dealing with this scenario within the region<sup>85</sup>.
- 3.20. Our conclusion therefore is Option E has been subject to a satisfactory sustainability appraisal and the Partial Review meets soundness criterion (x) in this regard<sup>86</sup>.

### **Implications of the apportionment for the MPAs**

- 3.21. The support of many of the MPAs for the submitted Policy M3 apportionment and the method by which it was derived was conditional on their share of the guideline figure of 9.01 mtpa being confirmed. In this regard their positions were largely outcome driven and we recognise that our conclusions thus far could alter this outcome for all.
- 3.22. We are mindful of the advice in MPS1 that the preparation of the individual MDDs provides an important opportunity to test the practicality and environmental acceptability of the policy proposals at the local level<sup>87</sup>. However, we have already noted that the process as a whole is iterative [2.9].
- 3.23. We heard that the MPAs are at different stages of their MDD preparation with Surrey CC and Hants CC being the most advanced. We also heard from several MPAs that there had been a lack of engagement from industry in the preparation process and, as a result, relatively few sites were being suggested. However, we also heard from industry as to why this might be, for example difficulties in aligning operator and landowner interest, and their view of a lack of sites being put forward for consideration should not limit the provision to be made in MDDs. Nevertheless, under current development plan document preparation legislation and guidance it is quite difficult for a site to be added to the ultimately approved document later in the process, particularly if it has not been subject to sustainability appraisal, although, subject to the evidence to support it, preferred areas or areas of search may still be identified in MDDs.
- 3.24. Both Surrey CC and Hampshire CC made detailed written submissions from their MDD evidence base in support of their positions<sup>88</sup>. Surrey has identified reserves for soft sand and concreting aggregates sufficient to enable production of around 24 million tonnes of aggregates between 2009 and 2026 (1.41 mtpa assuming a 17 year

---

<sup>84</sup> Sustainability Appraisal Final Report paragraphs 6.58 and 6.60 (CD 1.11)

<sup>85</sup> MPS1 paragraphs 3.4 and 3.8 in particular (CD 2.12)

<sup>86</sup> Planning Policy Statement 11: Regional Spatial Strategies, paragraph 2.49 (CD 2.6)

<sup>87</sup> MPS1 paragraph 3.8 (CD 2.12)

<sup>88</sup> CDs 5.19 to 5.22 and CD 5.4 and supplementary table respectively

period) while Hampshire considers that its contribution over the Partial Review plan period could not exceed 1.76 mtpa.

- 3.25. We acknowledge the concerns raised by Runnymede Borough Council and Tandridge District Council regarding the effects of continued mineral working on their communities in Surrey, particularly from lorry movements and the close proximity of some quarries to developed areas. We also understand that there are particular issues regarding changing landscape designations, potential bird-strike risks near Heathrow affecting restoration requirements and concerns over the availability of the concreting sand resource. MPA and other industry representatives gave differing views on some of the issues mentioned by Surrey CC and expressed their view that some sites had been put forward and excluded on issues such as bird strike and cumulative impact which were, in their opinion, more appropriately dealt with at planning application stage. Surrey CC disputed this interpretation.
- 3.26. Our view is these are all matters that will properly be debated at the examination of the MDDs when they are submitted early in 2010. However, our understanding is it is the unconstrained rather than the absolute resource which has been depleted<sup>89</sup> and, on the evidence put before us, see no reason at the strategic level to ‘cap’ the apportionment to the total assessed by Surrey CC.
- 3.27. In essence, similar detailed presentations were made at the EiP by Hampshire CC, Oxfordshire CC (and West Oxfordshire District Council), Kent CC and Berkshire Unitary Authorities. In summary, each had particular, but different, resource issues and detailed concerns regarding the environmental sensitivity of the locations of the next area(s) which would need to be exploited if their apportionment was above that shown in submitted Policy M3 or above 1.76 mtpa in Hampshire CC’s case. Although we acknowledge a higher apportionment would present each authority with a challenge, we sensed from the evidence that, as in Surrey, this was a matter which should be settled at the local level following testing through the MDD process rather than at the regional level where the totality of the evidence for this testing was not made available.
- 3.28. The position of Milton Keynes Council and MKNE is that the Ouse Valley, where much of the resource lies, is a valuable landscape recognised as such in the development plan. However, this is given no status in any of the apportionment options put forward with the result that an overdue emphasis is given to the existence of the unconstrained resource. Furthermore, combined with the development pressures already present from the growth area, the burden on a relatively small geographic area would be significant. A principal concern is there has been no local testing of the deliverability of the extraction implied.
- 3.29. The clear majority view at the EiP was local testing of deliverability was not possible at the regional level and this was a matter appropriate to the MDD examination process. SEEPB pointed to the extent of the permitted reserve and the healthy landbank currently existing<sup>90</sup>. However, MPA argued production was very

---

<sup>89</sup> Primary Aggregates Development Plan Document paragraph 3.4 (CD 5.20)

<sup>90</sup> Draft Aggregates Monitoring report 2008, Table 4 (CD 5.6)

much dictated by the market and increasing the apportionment would not necessarily have any direct impact.

- 3.30. Our conclusion on this is that most of the issues the Council see as significant constraints and therefore flaws in the apportionment methodology are, in fact, matters properly for debate through the preparation of the MDD.
- 3.31. The essence of the case made by West Sussex is that which we have referred to earlier with regard to the BGS data at the regional level [3.9]. Although the regional level maps<sup>91</sup> and the BGS report on which the apportionment option work was based<sup>92</sup> show a significant unsterilised resource in the middle and northern part of the County, more detailed work by BGS commissioned by West Sussex CC shows this to be unlikely to be economically viable. British Aggregates Association supported this view on the basis of limited test drilling carried out. In practice therefore supply is likely to continue from those areas to the north of Chichester now within the South Downs National Park (SDNP) and raises additional concerns regarding lorry movements through the town and in the area<sup>93</sup>.
- 3.32. We deal with the specific issues concerning the SDNP later and have no reason to doubt the evidence of West Sussex CC on this matter. However, these are not issues different in substance to those raised by other MPAs and in our view these should be addressed through the preparation of the MDD as advised in MPS1.
- 3.33. The previous Panel noted that both East Sussex and the Isle of Wight had very little, if any, remaining resource and recommended accordingly with regard to their respective apportionments<sup>94</sup>. We heard no evidence to lead us to take a different view and agree the apportionment of the two MPAs should be capped as proposed in the submitted Partial Review.
- 3.34. We understand, to a degree at least, the apportionment for Buckinghamshire has been influenced by exceptional sales arising from two major projects (a flood defence scheme and the construction of a rowing course) in the period 2002 to 2006<sup>95</sup>. Grndon stated at the EiP that, in fact, the minerals industry had varied its output from other quarries as it adjusted to the market conditions and, as a result, sales had not been inflated. Industry's view was that the market could sustain sales of between 1.2 and 1.5 mtpa and there was no resource reason why this could not be achieved.
- 3.35. We appreciate there is very healthy landbank of over 13 years at the current apportionment<sup>96</sup> and understand that, in these circumstances, the deliverability of additional capacity through the MDD process will be as challenging in Buckinghamshire as in many other MPAs. However, as MPA observed at the EiP, MPS1 highlights the factors to be taken into account in the preparation of MDDs and

---

<sup>91</sup> BGS Regional Level maps (CD 1.48)

<sup>92</sup> BGS Report of Mineral Supply and Demand-2006 Commissioned Report CR/06/147 (CD 1.44)

<sup>93</sup> CD 4.8

<sup>94</sup> RPG9-Review of Waste and Minerals Examination in Public Panel Report, paragraph 11.2.7 (CD 2.15)

<sup>95</sup> RPG9-Review of Waste and Minerals Examination in Public Panel Report, section 11.2.2 (CD 2.15)

<sup>96</sup> Draft Aggregates Monitoring report 2008, Table 4 (CD 5.6)

we believe that to be the correct approach in this case. We therefore see no reason to maintain any cap on the apportionment for Buckinghamshire.

- 3.36. Finally, Medway Council responded only at the representations stage and confined its comments to support for the apportionment option on which the submitted Partial Review was based. MPA confirmed that production rates will be determined in the local area by the market and saw no reason why further applications would not be brought forward. We have no contrary evidence and have concluded accordingly.

### **Should there be separate apportionments for soft and sharp sand?**

- 3.37. National policy is, where there is a distinct and separate market for a specific type or quality of aggregate, separate landbank calculations and provisions for these may be appropriate. Building and concreting sands are specifically mentioned<sup>97</sup>. Industry's view is this is the position in certain parts of the region at least and separate provision should therefore be made as this would add clarity for the preparation of MDDs and would be consistent with the advice in MPS1. In contrast, the MPAs generally take the view that, while it may be desirable in certain areas, this matter can best be addressed through Policy M3 and the supporting text since this is not necessarily a region-wide issue.
- 3.38. We note the conclusion of SEERAWP that a separate apportionment should not be made at regional level but MPAs should be required to provide separate landbanks in their MDDs<sup>98</sup>. Although we have the means to make an apportionment on a consistent basis under Option E<sup>99</sup> no suggestions have been made to us as to how the combined soft sand/sharp sand and gravel figure should be subdivided at regional level to enable us to do so.
- 3.39. On balance we believe the approach taken in the Partial Review is correct and will allow the necessary testing of the provision for each made in MDDs to be tested locally. We believe the wording of Policy M3 in this regard is clear but the text in submitted paragraph 11.37 should be clarified to make it consistent with the guidance in MPS1 and we recommend accordingly.

### **Summary conclusion on sub regional apportionment**

- 3.40. We consider that for land-won sand and gravel the apportionment should be undertaken on the basis of Option E which, in our view, represents a fair balance between the demand for and the presence of the resource having regard to environmental factors capable of assessment consistently across the region at a level of detail commensurate with the purpose of a regional spatial strategy. We are satisfied this option has been subject to sustainability appraisal carried out in accordance with national guidance. There is a persuasive case that the contribution to come from East Sussex/Brighton & Hove and the Isle of Wight should be capped

---

<sup>97</sup> MPS1 paragraph 4.5 (CD 2.12)

<sup>98</sup> Minutes of Special Meeting of SEERAWP held on 1 September 2008, paragraph 5.1, (CD 1.16)

<sup>99</sup> Primary Aggregates Sub-Regional Apportionment in South East England Final Report, Appendix 3 Tables 2 and 3, (CD 1.10)

in view of the limited resource availability and have redistributed the 0.62 mtpa among the other MPAs pro-rata .

- 3.41. We do not consider there is a case to be made for any restriction to the apportionment of any the other MPAs. In drawing this conclusion and applying Option E to the lower regional guideline figure of 11.12 mtpa we recognise our recommendation will result in higher apportionments than those in submitted Policy M3 for all the MPAs apart from those which are capped and Surrey. Indeed we recognise the outcome for Hampshire (at 2.05 mtpa) is above that which was put to us as the highest that the studies done for the MDD suggested was deliverable. Nevertheless, we believe it is right to recommend that the apportionment be done on the basis of a robust and coherent method that moves forward from the ‘past sales’ approach and which can be applied consistently across the region without being manipulated to deliver a desired outcome. In accordance with national policy advice in MPS1, the outcome should be tested through the MDD process.
- 3.42. We make no recommendation for any change to the basis of the apportionment of crushed rock in submitted Policy M3 but do recommend that the submitted apportionments be varied to reflect the lower guideline figure.

## 4. The South Downs National Park

### Introduction

- 4.1. We now consider the implications of the proposed/newly designated SDNP for the apportionment of land-won sand and gravel to the MPAs in the sub region under Policy M3 and whether there are any resulting implications for the distribution of the apportionment across the region as a whole. This includes consideration of the evidence that there may be particular circumstances present in the area that should influence the policy approach for the proposed National Park, especially in terms of setting the apportionment.
- 4.2. The main issues to be addressed are as follows:
- To consider the extent to which the designation of the National Park will impact on provision of soft sand in the sub region;
  - Whether a separate apportionment for the National Park is appropriate at this stage;
  - To consider the extent to which RSS should provide further guidance as to the implications of the National Park designation for those MPAs within its boundaries to help them in preparing their individual MDDs.

### Background, status and future arrangements for the National Park

- 4.3. The intention to establish a National Park for the South Downs was confirmed by the Environment Minister in March 2009. However, at the close of the EiP the necessary Designation Order had not been confirmed for the National Park area as the consultation on six potential additional areas for inclusion within the SDNP had not been concluded. Subsequently and following the EiP the Secretary of State signed the Designation Order on 12 November 2009. The South Downs Joint Committee (SDJC) confirmed at the EiP that none of the additional areas under consideration includes potential areas for extraction. Therefore the position is largely unchanged from when South East Plan was adopted in May 2009, the position being set out clearly there in Policy C2 and the accompanying supporting text<sup>100</sup>. In the meantime the various authorities affected by the formation of the National Park have commenced the negotiation of the arrangements needed to be put in place.
- 4.4. At the EiP Hampshire CC indicated that although the formation of a shadow National Park Authority is likely sometime during 2010, it was considered too early to assess the implications of that body becoming a mineral planning authority in its own right. Again, that position is unchanged since adoption of the South East Plan where the assumption of full statutory functions is anticipated from 1 April 2011<sup>101</sup>.

---

<sup>100</sup> The South East Plan, Policy C2 and paragraph 11.7 (CD 1.35)

<sup>101</sup> The South East Plan, Policy C2 and paragraph 11.7 (CD 1.35)

Moreover, it was said that different National Parks vary in the way that they operate, including how they interact with their neighbouring planning authorities. For example, not all National Park authorities are subject to separate aggregates apportionments with Hampshire CC citing the New Forest National Park as an example. However, the number of authorities involved, and therefore the complexity of any technical and administrative arrangements necessary, may be a factor.

- 4.5. Our attention was drawn to the perception amongst some local communities that the designation of the SDNP would provide greater protection in policy terms. However, the SDJC stated that, following an earlier parliamentary question, the Rural White Paper (November 2000) confirmed that National Parks and Areas of Outstanding Natural Beauty (AONB) share the highest status of protection in relation to landscapes<sup>102</sup>; this is further confirmed in both PPS1 and PPS7<sup>103</sup>.

### **Mineral resources and extraction in the National Park**

- 4.6. At the EiP it was acknowledged that a significant proportion of the soft sand resource of Hampshire, East and West Sussex is located in the proposed SDNP area. We recognise this in the context of the proposed National Park area extending beyond the area covered by the two existing AONBs and have already considered the provision of a separate soft sand apportionment in dealing with Matter C2, concluding that separate apportionment is unnecessary at the RSS level [3.37 to 3.39]. The soft sand resource is located within the bedrock deposit known as the Folkestone formation, worked in Kent, Surrey, West Sussex and on a minor scale in East Sussex and recognised as an important resource<sup>104</sup>. From the evidence submitted it appears the deposits constitute all of the soft sand resource within the National Park area for the MPAs concerned. Furthermore, evidence in the statement for West Sussex CC drew attention to the lack of alternative economic supplies outside the National Park area and the contribution of the resource to maintaining local identity and distinctiveness<sup>105</sup>.
- 4.7. Much evidence was presented to the Panel in terms of the extent of soft sand capacity within the proposed National Park area, with all of this resource for East Sussex being located there. West Sussex CC indicated the National Park area amounted to 90% of their own resource, with some 80% of sand and gravel production within or near to the proposed National Park area. Consequently six out of seven locations for soft sand extraction being assessed for possible inclusion in the West Sussex CC MDD as site allocations are within the proposed National Park area, the majority being extensions to existing pits. Hampshire CC explained how their soft sand contribution would be similarly affected although they indicated there was some limited scope to extract (albeit lower quality) soft sand in other areas, notably East Hampshire. Hampshire CC were concerned that the inclusion of what may be considered the 'natural' extension of the productive Kingsley Quarry would

---

<sup>102</sup> SDJC Statement Matter D3

<sup>103</sup> PPS1 paragraph 17 (CD2.1) and PPS7, paragraph 21 (CD 2.4)

<sup>104</sup> Bedrock Deposits, Appendix 3, page 23 (CD 1.44)

<sup>105</sup> West Sussex CC Statement Matter D3

fall under the remit of the new National Park and were anxious this should not be compromised by the new status, due to the lack of deliverable alternatives. Other possibilities for soft sand provision in the County were impacted by a range of issues including the likelihood of some sterilisation caused by the development of Borden Whitehill as an Eco Town.

- 4.8. Given the importance of the resource and the previously mentioned likelihood of misinterpretation as to the level of protection afforded by the National Park status, the need to be clear that soft sand production will continue in the National Park area was made at the Examination by West Sussex CC. However, whilst other participants supported inclusion of a reference to the importance of the resource in general terms, there was not similar support for emphasising the continued need for extraction in the National Park area. The SDJC in particular considered this conflicted with the advice in MPS1 on the protection of heritage and countryside<sup>106</sup>. On balance we concur that the additional reference relating to the continuation of extraction in the SDNP is beyond the remit of this Examination, being an issue in preparing MDDs for the individual MPAs concerned.
- 4.9. Some participants sought further clarity as to what may be termed major and minor development in the context of MPS1<sup>107</sup>, as that guidance distinguishes clearly between the assessment that would be required and the differing likelihood of development being acceptable under each of these categories. Again we conclude that this matter is more appropriately dealt with at the local level, with scope for further definition in the individual MPAs MDDs.

### **Approach to apportionment of the resource in the National Park**

- 4.10. The administrative arrangements yet to be put in place to determine how the National Park as a mineral planning authority will operate in practice are still to be decided. However, this should not prevent some guidance as to how the relevant MPAs are to proceed being given, in order to ensure the need for any further early review following adoption of Policy M3 is avoided. The proposed supporting text for Policy M3 does achieve this to an extent; however this could be improved by giving further encouragement to the future joint working that will be necessary to ensure the smooth transition of the National Park into a minerals planning authority in its own right. This in turn will help ensure the necessary resources also come forward by recognising the extent of the soft sand resource in the National Park and its importance to the sub region.
- 4.11. Although it was agreed at the Examination that some further guidance was desirable, the setting of a separate apportionment is not thought practicable at this very early stage of the development of the South Downs into a National Park authority. In the long run whether the proposed National Park will have its own apportionment will require more thorough consideration.
- 4.12. In purely practical terms there is some difficulty in applying the criteria in our recommended methodology to the National Park area. Despite this some criteria

---

<sup>106</sup> MPS1 paragraph 14 (CD 2.12)

<sup>107</sup> MPS1 paragraph 14, 2<sup>nd</sup> bullet (CD 2.12)

used in the methodology, as indicated verbally by SEEPB at the Examination remain suitable for being applied, whilst others are more problematic. In considering the methodology in more detail we note Criterion 4 is unhelpful (in terms of considering the National Park area in isolation) as it excludes unsterilised resources within areas that have national designations<sup>108</sup>. Therefore all the land in the National Park area would be excluded under this criterion. There are other difficulties as well. For example, the extremely low population level (and predicted growth) in the National Park area will influence the consideration of construction demand under Criterion 1, and would no doubt skew any resulting figures. Furthermore, past sales figures covering the National Park area are not yet separately available (Criterion 2) although this we understand will be relatively straightforward to remedy.

- 4.13. Regardless of the suitability of the various criteria for application to the proposed National Park scenario, the impact of any resulting apportionment would also be compounded by the important minerals resource in the National Park being restricted to soft sand. This is related to an extent to the point made by East Sussex CC who drew attention to the need for the guidance to focus on soft sand resource in the National Park and not to infer the advice is relevant to sharp sand and gravel generally. However we consider Policy M3 as already being clear in this regard [3.39].

---

<sup>108</sup> Primary Aggregates Sub-Regional Apportionments in South East England, paragraphs 2.59-2.63 (CD 1.10)

## 5. Other changes to the submitted Partial Review text

### Introduction

5.1. The submitted Partial Review sets out proposed changes to RPG9 by way of the text and deletions. Since the submission of the Partial Review the South East Plan has been issued and the paragraphs that relate to Policy M3 are now paragraph 10.83 to 10.89 inclusive. It is these that are varied by the Partial Review. We have recommended changes to the submitted Policy M3 itself in Recommendation 4 and the wording of Partial Review paragraph 11.37 in Recommendations 5 and 6. We now consider and recommend other changes, either as a result of submissions made by participants and others making representations or as a consequence of our Recommendations.

### Policy M3

- 5.2. There is a balance to be struck between the need for clear guidance in the Policy and the need to avoid repetition of national guidance. Although the wording of the final paragraph of the Policy is similar to that in MPS1<sup>109</sup> we agree with the MPAs that it provides the specific policy imperative to drive the requirement for local testing of the apportionment through the MDD process. Hampshire CC in particular emphasised at the EiP the need for a chain of conformity from national to local level and argued that without this statement the chain would be broken at the regional level. We are also mindful of the importance of this statement to our conclusion that the sustainability appraisal was sound [3.19].
- 5.3. The Government Office for the South East in particular suggested, for consistency, other paragraphs from MPS1 would have to be drawn into the policy. However, we do not consider that the particular circumstances that we have outlined above apply to these and do not therefore consider any further changes to the Policy other than those in Recommendation 4 are required.

### Supporting text

#### *Generally*

- 5.4. The final text needs to reflect the fact that the guidelines were published in June 2009 and should include the final figures as they relate to the South East<sup>110</sup>. We also recommend the inclusion of additional text in the event of our recommendation 4 being accepted by the Secretary of State to explain why the guideline figure for the South East has not been followed.
- 5.5. Surrey CC made a number of detailed suggestions as to revised wording in its original representation. We have considered all of these but believe in all cases the changes we have already recommended and the consequential changes we recommend below deal with these matters.

---

<sup>109</sup> MPS1, paragraph 3.8 (CD 2.12)

<sup>110</sup> National and Regional Guidelines for Aggregates Provision in England: 2005 to 2020 (CD 2.9)

***Paragraph 11.35***

- 5.6. In its original representation Marine Developments Limited suggested an addition to the text of this amended paragraph to, in essence, ensure that MDDs were consistent with and prepared with due regard to the objectives of other development documents in the authority's area. We do not believe that this addition is necessary as this will be examined as part of the MDD process.
- 5.7. We do however consider there should be an addition to this paragraph after 'deliverability' to the effect that criteria 3 and 4<sup>111</sup> are not intended to be statements of policy and therefore areas subject to these constraints may be examined through the MDD process for their potential to accommodate the mineral development necessary to deliver the apportionment.

***Consequential changes***

- 5.8. The following changes are required to the text to reflect the Recommendations made:
- First new paragraph after 11.32: This should be amended as follows 'The National and Regional Guidelines for Aggregates Provision in England are the outcome of economic modelling undertaken for CLG. Historically, the South East regional planning body has challenged the Guidelines since evidence of actual production of land-won sand and gravel suggests that the requirements for the Region are consistently overstated. Following publication of the draft Guidelines for consultation in 2008 the Assembly again challenged the regional figure on this ground and, as a result, CLG reviewed the model outputs on the basis of partially updated data. This sensitivity testing confirmed the downward direction of forecast aggregates requirements and provides a more robust basis for planning for aggregates provision over the Plan period. The outcome figures of that assessment are 11.18mtpa for land-won sand and gravel and 1.44mtpa for crushed rock and the sub-regional apportionments are applied to these figures.';
  - Final amended paragraph before 11.34: The footnote should be amended by the deletion of the final sentence and its substitution by 'Option E 'Demand and Resources' was applied'. The final sentence of the paragraph should end after 'resources' with 'modified by additional factoring-in of past sales' deleted;
  - The final sentence of paragraph 11.34 should read 'The methodology was modified to limit the apportionment applied to east Sussex and the Isle of Wight to 0.1 mtpa to reflect actual availability of resources'.

---

<sup>111</sup> Primary Aggregates Sub-Regional Apportionment in South East England Final Report, (CD 1.10)

## Appendix A: Recommendations

### Recommendation 1

**Modify Policy M3 of the South East Plan by deleting the figure '13.25' and substituting the figure '11.12' and by deleting the figure '2.2' and substituting '1.44'.**

### Recommendation 2

**Subject to data availability at the time when these recommendations are considered by the Secretary of State, CLG should review the assumptions and regression coefficients inherent in the aggregates forecasting model and determine whether the national and/or regional aggregates guidelines should be altered in the light of recommendation 1 and our conclusions regarding crushed rock [2.43]**

### Recommendation 3

**That South East Plan Policy M5 be reviewed at the first available opportunity in the light of an assessment of the adequacy of wharf capacity, in particular, for the marine dredged sand and gravel and crushed rock landings required by the regional aggregates guidelines.**

### Recommendation 4

**Modify Policy M3 of the South East Plan as indicated in the submitted Partial Review (taking into account also Recommendation 1) but substitute the following annual average (MTPA) for the respective Mineral Planning Authorities:**

<b>Berkshire unitaries</b>	<b>1.33</b>
<b>Buckinghamshire</b>	<b>1.05</b>
<b>East Sussex/Brighton &amp; Hove</b>	<b>0.10</b>
<b>Hampshire</b>	<b>2.05</b>
<b>Isle of Wight</b>	<b>0.10</b>
<b>Kent</b>	<b>1.63</b>
<b>Medway</b>	<b>0.18</b>
<b>Milton Keynes</b>	<b>0.28</b>

<b>Oxfordshire</b>	<b>2.10</b>
<b>Surrey</b>	<b>1.27</b>
<b>West Sussex</b>	<b>1.03</b>
<b>South East Total</b>	<b>11.12</b>
<b>And the following for the sub-regional apportionment of crushed rock:</b>	
<b>Kent</b>	<b>0.78</b>
<b>Oxfordshire</b>	<b>0.66</b>

#### **Recommendation 5**

**Alter paragraph 11.37 of the Partial Review by deleting the words 'set separate apportionments' and substitute the words 'make separate provision'.**

#### **Recommendation 6**

**Introduce the following supporting text at the end of paragraph 11.37, drawing attention to the need to consider the importance of the soft sand resource in the National Park area and encouraging this consideration by the relevant MPAs when producing their MDDs:**

**"A significant part of the viable soft sand resources in Hampshire, West Sussex and East Sussex is within the South Downs National Park. These resources are recognised as being of regional significance for high quality construction sand. The relevant Mineral Planning Authorities should, during the preparation of Minerals Development Documents consider the potential of meeting this part of their local apportionment from outside the National Park in the first instance and then within the National Park subject to the assessment tests in paragraph 14 of Minerals Planning Policy Statement 1."**

#### **Recommendation 7**

**That Partial Review paragraph 11.35 be amended as set out in paragraph 5.7 of our report.**

**Recommendation 8**

**That the consequential changes set out in paragraph 5.8 be made to the Partial Review text.**

**Recommendation 9**

**That paragraphs 10.83 to 10.89 inclusive of the South East Plan be replaced by Partial Review paragraphs 11.31 to 11.38 inclusive as amended by Recommendations 5 to 8 inclusive of our report.**

<b>Appendix B: EIP Timetable</b>	
Tuesday 6 <sup>th</sup> October	The Regional Guideline Figures for Land-Won Sand and Gravel.
Wednesday 7 <sup>th</sup> October	Sub-regional Apportionments: <ul style="list-style-type: none"> <li>• Milton Keynes</li> <li>• Oxfordshire</li> <li>• Buckinghamshire</li> <li>• Berkshire</li> <li>• Surrey</li> </ul>
Thursday 8 <sup>th</sup> October	Sub-regional Apportionments: <ul style="list-style-type: none"> <li>• Kent and Medway</li> <li>• East Sussex</li> <li>• Brighton &amp; Hove</li> <li>• West Sussex</li> <li>• Hampshire and the Isle of Wight</li> </ul> South Downs National Park

## Appendix C: Final List of Matters and Participants

### South East RSS Minerals

Tuesday 6<sup>th</sup> October 2009 Regional Apportionment

#### Matters

A1 Is there a robust case for departing from the regional apportionment figures for aggregates provision set out in the "National and regional guidelines for aggregates in England 2005 – 2020" (CLG June 2009)?

A2 Notwithstanding sub-matter A1, are changes needed to Policy M3 and the supporting text (either to reflect the published Guidelines or in any case, including what, in your opinion, the apportionment figure should be) and are these proposed changes supported either by the Sustainability Appraisal (CD11) and the Habitats Regulations Assessment (CD12) or by other assessments already undertaken?

A3 What are the implications of Policy M3 for adjoining regions and for inter regional flows of aggregates and is the Sustainability Appraisal adequate in this respect?

A4 Is the Sustainability Appraisal consistent and adequate in its assessment of all the Options?

A5 How does the 9.01 mtpa apportionment for sand and gravel equate with South East economic forecasts and housing allocations?

B1 Is Policy M3 in conformity with the Core Objectives and natural resource and countryside and landscape management policies in the Regional Spatial Strategy for the South East (May 2009)?

B2 Does the final paragraph of Policy M3, in relation to testing through Mineral Development Documents, negate the rest of the Policy and is this inconsistent with other policy wording in the Regional Spatial Strategy for the South East (May 2009) such as in Policy H1 and Policy W7?

C1 Are the assumptions relating to levels of marine dredged aggregates and imports from outside England achievable?

C2 Would separate landbank provisions for soft sand and sharp sand and gravel appropriate?

#### Participants

South East of England Partnership Board  
Department for Communities and Local Government  
Government Office for the South East  
Natural England

Kent CC  
Medway Council  
West Sussex CC  
East Sussex CC/Brighton and Hove City Council

Hampshire CC  
Isle of Wight Council  
Surrey CC  
Oxfordshire CC  
Berkshire Unitary Councils  
Buckinghamshire CC  
Milton Keynes Council

South West Councils/Regional Aggregates Working Party  
East of England Regional Assembly/Regional Aggregates Working Party  
East Midlands Regional Assembly/ Regional Aggregates Working Party

Mineral Products Association  
British Aggregates Association  
Brett Group  
Grundon  
ABP Southampton  
Land and Management Ltd  
The Wiggentholt Association

### **Wednesday 7<sup>th</sup> October 2009 Sub-regional Apportionments**

Sub-regions of Milton Keynes, Oxfordshire, Buckinghamshire, Berkshire and Surrey

D1 Is Option E (with additional sales element) the appropriate basis for the sub-regional apportionment of whatever regional total is deemed to be justified?

D2 Are the sub-regional apportionments in Policy M3 sound and robust and do they reflect the correct balance between the criteria set out in CD10?

#### Participants

South East of England Partnership Board  
Government Office for the South East  
Natural England

Surrey CC  
Oxfordshire CC  
Berkshire Unitaries  
Buckinghamshire CC  
Hampshire County Council  
Milton Keynes Council  
West Oxfordshire DC  
South Oxfordshire DC  
Runnymede BC  
Tandridge DC  
Milton Keynes NE Area Consultative Forum  
Haversham - cum – Little Parish Council  
Longworth Parish Council/STAGE

Mineral Products Association  
Brett Group  
Grundon

**Thursday 8<sup>th</sup> October 2009 Sub-regional Apportionments  
South Downs National Park**

Sub-regions of Kent, Medway, East Sussex, Brighton, Hove, West Sussex, Hampshire,  
Portsmouth, Southampton, New Forest and Isle of Wight,

D1 Is Option E (with additional sales element) the appropriate basis for the sub-regional apportionment of whatever regional total is deemed to be justified?

D2 Are the sub-regional apportionments in Policy M3 sound and robust and do they reflect the correct balance between the criteria set out in CD10?

D3 Is the potential designation of the South Downs National Park likely to significantly impact on aggregates provision in this sub-region?

Participants

South East of England Partnership Board  
Government Office for the South East  
Natural England

Kent CC  
Medway Council  
West Sussex CC  
East Sussex CC/Brighton and Hove City Council  
Hampshire CC  
Isle of Wight Council

Mineral Products Association  
Brett Group  
Grundon  
ABP Southampton  
British Aggregates Association  
Land and Mineral Management Company

South Downs Joint Committee  
One representative from Hound, Bursledon and Hamble-le-Rice Parish Councils  
Marina Developments Ltd

## Appendix D: Core Documents List

### REGIONAL

CD	1.1	SEERA - Cover Letter to Review Document - 2 March 2009
CD	1.2	Review of Policy M3 - Primary land-won aggregates and sub-regional apportionment. Recommendations for amending the policy - March 2009 SEERA
CD	1.3	Comments Form
CD	1.4	Sustainability Appraisal Annex - Summary - Land Use Consultants January 2009
CD	1.5	SEERA - Letter to Secretary of State - 2 March 2009
CD	1.6	GOSE to SEERA Letter of 2 March 2009
CD	1.7	Partial Review of RPG9 and the Draft South East Plan - Review of Sub-regional allocation of land-won aggregates - Consultation Document
CD	1.8	Review of sub-regional apportionment of land won aggregates - Stakeholder Consultation Workshop
CD	1.9	Review of the Basis for the National and Regional Guideline for Aggregates Provision 2005 -2020 as Applied to South East England
CD	1.10	Primary Aggregates Sub-Regional Apportionment in South East England - Final Report
CD	1.11	Partial Review of Draft South East Plan: Policy M3 Sustainability Appraisal Report - Final Report
CD	1.12	Partial Review of the Draft South East Plan: Policy M3 Primary Aggregates habitats Regulations Assessment Screening Report - Final Report
CD	1.13	SEERA Regional Planning Committee - Minutes of Meeting 24 Sept 2008
CD	1.14	Regional Planning Guidance for the South East-Wast and Minerals - June 2006
CD	1.15	SEERAWP - SEER Aggregates Working Party Minutes of Meeting 23 April 2008
CD	1.16	SEERAWP - SEER Aggregates Working Party Minutes of Meeting 1 Sept 2008
CD	1.17	SEERA - Review of Sub-Regional Apportionment of Land-Won Aggregates Stakeholder consultation Workshop - Monday 7 July 2008
CD	1.18	Meeting of Minerals Planning authorities - 8 Oct 08
CD	1.19	SEERA Regional Planning committee 24 Sept 08 - Partial Review on Aggregates: Preferred Options Agenda Item 5
CD	1.20	Agenda Item 5 - Annex 1
CD	1.21	Agenda Item 5 - Annex 2

---

CD	1.22	Agenda item 5 - Annex 3
CD	1.23	SEERA Regional Planning Committee 26 Nov 08. Aggregates Review: Preferred Option Agenda Item 4
CD	1.24	Agenda item 4 - Annex 1
CD	1.25	Agenda Item 4 - Annex 6b
CD	1.26	Agenda Item 4 - Annex 6a
CD	1.27	Agenda Item 4 - Annex 5
CD	1.28	Minutes of Regional Planning Committee Meeting on 26 November 2008
CD	1.29	Regional Assembly/Executive Committee Meeting 12 Dec 08 - Agenda Item 9
CD	1.30	Revised Policy M3 & Supporting Text (Replacing Paragraphs 11.31-11.38 of RPG9)
CD	1.31	Regional Assembly/Executive Committee Meeting/12 December 2008/Agenda Item - Annex 2
CD	1.32	Partial Review of RPG9 & The Draft SE Plan- 15 May- 8 August 2008 Consultation Document
CD	1.33	Pre-submission consultation statement - Annex 4
CD	1.34	Minutes of Meeting - 12 December 2008- 1.34 Minutes of Meeting - 12 December 2008
CD	1.35	The South East Plan
CD	1.35 b(i)	South East Plan - SoS's Schedule of Changes - Companion Document
CD	1.35 b	South East Plan - SoS's Schedule of Changes and Reasoned justification
CD	1.35 a	South East Plan - EiP Panel Report August 2007
CD	1.35 a(i)	South East Plan - EiP Panel Report - Appendices
CD	1.36	Aggregate Wharves and Rail Depots in South East England - Final Report - prepared by SEERA by MDA Transmodal Limited - February 2009
CD	1.37	Appendix 1 - Rail Served Aggregate terminals in South East England Terminals Inventory
CD	1.38	Appendix 2 - Aggregates Wharves in South East England Terminals Inventory
CD	1.39	Addendum to Appendix 2: Aggregates Wharves in South East England Terminals Inventory
CD	1.40	Potential Location of for New Rail-linked Aggregate Depots(Appendix 3)
CD	1.41	Kent Aggregate Imports: A Study of Aggregate Import into Kent and Medway (excluding road imports) on behalf of Kent County Council - February 2006 - Land and Mineral Management Ltd (Appendix 4)

---

CD 1.42	West Sussex Minerals and Waste Development Framework - Wharves and Railheads Study - February 2008 - A Study by Land & Mineral Management Ltd. On behalf of West Sussex County Council(Appendix 5)
CD 1.43	Appendix 6: Maps of Active and Inactive Aggregate Wharves and Rail Depots Locations
CD 1.44	BGS Report of Mineral Supply and Demand - 2006 Commissioned Report CR/06/147
CD 1.45	Minutes of Regional Assembly Planning Committee Meeting on 21 May 2008
CD 1.46	Minutes of Regional Assembly Planning Committee Meeting on 21 May 2008 - Agenda Item 9
CD 1.47	SEERA Comments on draft revised National & Regional Guidelines for Aggregates Provision in England 2005-2020
CD 1.48	SEERA Comments on draft revised National & Regional Guidelines for Aggregates Provision in England 2005-2020
CD 1.49	British Geological Survey - SEERA: South East Plan - Review of Mineral Supply and Demand
CD 1.50	SEEPB Methodology - Power Point Presentation
CD 1.51	Consultation Draft Project Plan and Statement of Public Participation, and SA Scoping Report, SEERA, February 2007

**NATIONAL PLANNING POLICY/GUIDANCE**

CD 2.1	PPS1 Delivering sustainable Development, ODPM Feb 2005
CD 2.2	PPS: Planning and climate change: Consultation Supplement to PPS1, Dec 2006
CD 2.3	PPG2 - Green Belts, Mar 2001
CD 2.4	PPS7 - Sustainable Development in Rural Areas, Aug 2004
CD 2.5	PPS9 - Biodiversity & Geological Conservation, Aug 2005
CD 2.6	PPS11 - Regional Spatial Strategies, Sept 2004
CD 2.7	PPS25 - Development and Flood Risk, Dec 2006
CD 2.8	PPS4 - Planning for Prosperous Economies
CD 2.9	National & Regional Guidelines for Aggregates Provision in England 2005-2020
CD 2.10	Draft Revised National & Regional Guidelines for Aggregates Provision in England:2005-2020 - Consultation
CD 2.11	Forecasting Aggregates Demand-A Technical Summary
CD 2.12	Minerals Policy Statement 1
CD 2.13	PPS 12 - Local Spatial Planning

---

CD 2.14	The Covering Letter to the June 2009 CLG National & Regional Guidelines
CD 2.15	The Dec 2004 Panel Report on the RPG9 Review of Waste and Minerals Examination in Public
CD 2.16	CLG - Collation of the results of the 2005 Aggregate Minerals Survey for England & Wales - BGS May 07
CD 2.17	ODPM - Collation of the results of the 2005 Aggregate Minerals Survey for England & Wales - BGS 2001
CD 2.18	DETR - Collation of the results of the 2005 Aggregate Minerals Survey for England & Wales - BGS 1997
CD 2.19	Collation of the results of the 1993 Aggregate Minerals Survey for England & Wales - BGS
CD 2.20	Collation of the results of the 1989 Aggregate Minerals Survey for England & Wales - BGS
CD 2.21	National and Regional Guidelines for Aggregates Provision in England 2001- 2016 Third Monitoring Report

**AGGREGATE DATA**

CD 3.1	Table 1: Sales of Sand & Gravel 1998-2007
CD 3.2	Tables 2 & 3: Sales of Sand & Gravel 2006-2007 and 1998-2007
CD 3.3	Tables 4: Sand & Gravels-Comparison between sales & permissions 1998-2007 & Reserves.& Table 5:Sand & Gravel Landbank at end 2007
CD 3.4	Table 6: Crushed Rock-Sales, Permission & Reserves 2006-2007 & Table 7: Crushed Rock-Sales, Permissions & Reserves 1998-2007
CD 3.5	Table 8: Sales of Aggregate from rail depots 2003-2007 & Table 9: Sale & Graves Reserves 1998-2007
CD 3.6	Table 10: Landings of Marine Dredged Sand & Gravel 1998-2007 & Table 11: Marine Imports of Crushed Rock 1998-2007

**AGGREGATE SITE MAPS**

CD 4.0	Notes on Maps
CD 4.1	Berkshire
CD 4.2	Buckinghamshire
CD 4.3	East Sussex
CD 4.4	Hampshire
CD 4.5 a	Kent
CD 4.5 b	Kent insets
CD 4.6	Oxfordshire
CD 4.7	Surrey

CD 4.8 West Sussex

**ADDITIONAL INFORMATION**

CD 5.1 Request to CLG for additional information (20 July)

CD 5.2 CLG response to the Panel Letter of 20 July

CD 5.3 National & Regional Aggregate Guidelines - Power Point Presentation by Mark Plummer.

CD 5.4 Hampshire Supporting Evidence

CD 5.5 BMAPA Marine Aggregates Reserves (Interim) Report, September 2008

CD 5.6 Aggregates Monitoring Report (Draft) Report 2008

CD 5.7 British Geological Survey Mineral Yearbook 2007: Table extract: Summary of consumption of primary aggregates by region 2005

CD 5.8 British Geological Survey (2007) The Strategic Importance of the marine aggregate industry to the UK: Research Report OR/07/019

CD 5.9 Managing aggregates supply in England - A review of the current system and future options-BGS Open report OR/08/042, 2008

CD 5.10 Aggregates Monitoring Report 2007- Produced by SEERAWP published March 2009 by SEERA

CD 5.11 Letter to Chief Planning Officers - National and Regional Guidelines for Aggregates Provision in England: 2005-2020 - 29 June 2009

CD 5.12 RPG 9 Review of Waste and Minerals Examination in Public Panel Report- December 2009 (Published 6 January 2005)

CD 5.13 The Mineral Products Association's rebuttal to the January 2009 report of Green Balance entitled 'Review of the Basis for the National and Regional Guidelines for Aggregates Provision 2005-2020 as applied to South East England - September 2009

CD 5.14 ABP Background Document

CD 5.15 ABP & Hampshire CC & Others - High Court Judgement

CD 5.16 Fixing the Forecasting Folly

CD 5.17 Press release 13/8/09 - Further substantial fall in Second Quarter Sales as MPA calls on Government to Reverse Planned 50% cut in public investment

CD 5.18 Runnymede Borough Council Submission

CD 5.19 Surrey Minerals & Waste Development Framework- Annex A - Minerals Core Strategy

CD 5.20 Surrey Minerals Waste Development Framework - Annex B - Primary Aggregates

CD 5.21 Surrey Minerals Plan - Appendix 1 - Preferred areas for primary aggregates

CD 5.22 Surrey Minerals Plan - Appendices

CD 5.23

Revised Option E Apportionment Distributions - SEEPB - 3 Oct 09

## Appendix E: Abbreviations

ABP	Associated British Ports
AM	Aggregate Minerals
AMR	Annual Monitoring Reports
AMRI	Annual Minerals Raised Inquiry
BGS	British Geological Survey
CC	County Council
CLG	Department for Communities and Local Government
EiP	Examination in Public
GVA	Gross Value Added
GOSE	Government Office for the South East
MASS	managed aggregates supply system
MDD	minerals development document
MKNE	Milton Keynes North East Area Consultative Forum
MPS1	Minerals Planning Policy Statement 1: Planning and Minerals November 2006
MPA	Mineral Products Association
MPAs	Mineral Planning Authorities
mtpa	Million tonnes per annum
SEEPB	South East England Partnership Board
NCG	National Co-ordinating Group
RAWPS	Regional Aggregate Working Parties
SEERA	South East England Regional Assembly
RSS	Regional Spatial Strategy
RPC	SEERA Regional Planning Committee
RPB	Regional Planning Bodies
SDJC	South Downs Joint Committee
SDNP	South Downs National Park
SEERAWP	South East England Regional Aggregate Working Party