

**CYNGOR SIR POWYS COUNTY COUNCIL.**

**PORTFOLIO HOLDER DECISION**

**County Councillor Iain McIntosh  
Portfolio Holder for Housing, Planning and Economic Regeneration**

**DATE:** 2<sup>nd</sup> December 2020

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**REPORT TITLE:** Endorsement of the South Wales Regional Aggregates Working Party Regional Technical Statement 2<sup>nd</sup> Review (2020)

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**REPORT FOR:** Decision

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**1. Purpose**

1.1 To formally endorse the Regional Technical Statement 2020 (aggregates) Second Review ( see Appendix 1) in respect of meeting national planning policy for minerals and to provide a core evidence document for the next Local Development Plan (**LDP**)

**2. Background**

2.1 Planning Policy Wales 10 (PPW10) requires that each Mineral Planning Authority prepares to meet local, regional and UK needs for the supply of minerals. It recognises that, for the purposes of commercial stability, the aggregates industry requires a proven and viable land bank.

2.2 Minerals Technical Advice Note 1: Aggregates (2004) (MTAN 1) requires the preparation of Regional Technical Statements (**RTS**) for the areas covered by the two - South Wales and North Wales - Regional Aggregates Working Parties (**RAWPs**). Powys is within the South Wales Working Party area. The principal objectives of the RTS are to provide adequate reserves of aggregate for the construction and other industries in the most sustainable manner reasonably achievable.

2.3 The original RTS were completed in 2008 and, as required by MTAN 1, are being reviewed every five years. The First Review was undertaken in 2013/2014 and the Second Review commenced in 2018. The Second Review RTS covers a period up to 2041, but further reviews will still be initiated every five years to ensure that the RTS can react to any significant change in circumstances.

2.4 Forward planning for minerals has formed an intrinsic part of the Local Development Plan (LDP) process. LDPs have benefited from the clear

direction that the RTS has provided on the sustainable approach to mineral development in Wales.

2.5 The methodology for the Second Review has been amended since the First Review to look at the consumption of aggregate as well as the historic pattern of supply. A new sub-regional approach has been introduced to reflect the fact that aggregates only occur in certain locations which may not reflect the highest level of consumption, but attempts are made to ensure the most sustainable approach.

2.6 The RTS has been drawn up with comprehensive stakeholder engagement and has been subject to a thorough consultation process (see Section 6 of the main document). Once endorsed by the individual LPAs, the RTS will be endorsed for publication by the Welsh Government.

2.7 The RAWPs have requested that each LPA aims to endorse the RTS Second Review within three months of it being issued. The RTS Second Review was published in September 2020 and it is therefore anticipated that Powys County Council will endorse the document by mid December 2020.

## 2.8 The Framework of the RTS

2.8.1 The RTS, for the purposes of strategic minerals planning, splits Wales into seven sub-regions, each comprising a distinct market area (sub-regions are shown on the map at Appendix 2).

2.8.2 Powys Local Planning Authority area is defined as an individual sub-region meaning the Council is not therefore required to enter into sub-regional collaboration with other Authorities or agree a Statement of Sub-regional Collaboration (SSRC) with them. For the purposes of Minerals Planning in Powys, it should be noted that all the Brecon Beacons National Park sits within a separate sub-region.

2.8.3 The overall policy aim of the RTS is to secure a minimum 25-year supply of crushed rock and a minimum 22-year supply of sand and gravel in LDPs. This means LDPs with the usual 15 year Plan period are then able to meet the PPW/MTAN stipulation of maintaining *at least a 10 years land bank* for crushed rock and *at least a 7 years land bank* for sand and gravel over the *entire* Plan period. A land bank is a stock of planning permissions which usually relates to the extraction of non-energy minerals and provides for continuity of production in spite of fluctuations in demand (*source: PPW10*).

2.8.4 The RTS makes specific recommendations regarding the **quantities** of aggregates which need to be **a)** supplied from each area (the “**apportionment**”) and **b)** the nature and size of any “**allocations**” which may need to be made in the LDP to ensure that the required provision is maintained.

2.8.5 Paragraph 50 of MTAN 1 specifically requires the relevant parts of the RTS strategy (principally, the RTS apportionments and allocation requirements) to be incorporated into individual LDPs.

### **3. Advice**

3.1 The current Powys Local Development Plan (2011-2026) contains **LDP Objective 12 – resources** which aims to provide at least a 25 year land bank of crushed rock aggregates, whilst **Minerals Policy M1** details how existing minerals sites contribute to the minimum land-bank requirement, as set by MTAN, of 10 years for crushed rock aggregates throughout the Plan period in an agreed rate of 2.51 million tonnes per annum. The LDP also confirms that Powys Minerals Planning Authority currently has no requirement to contribute sand and gravel to the regional supply.

3.2 The RTS Second Review will continue to be considered as a strategic document for the purposes of Development Plan preparation and may be a material consideration when determining planning applications. It will inform both the next LDP and any Strategic Development Plans (SDPs) being prepared in Wales.

3.3 The methodology used in the First Review, in 2014, had been based primarily on historical sales averages, combined with an assessment of the various 'drivers' of potential future change. For the Second Review, this has been combined with an attempt to reflect planned future requirements for housing construction activity. The methodology moves away from trying to predict future demand and focusses instead on making a reasonable match to the identified housing requirement. This is to avoid perpetuating historical supply patterns in areas where there is scope to encourage more sustainable patterns of supply.

3.4 The figures are cascaded down to the local level via a four-stage process. Each stage and its relevance to Powys is set out below:

#### **3.4.1 Stage 1- Setting the National Level for future aggregates provision.**

According to Welsh statistics there is a high degree of correlation between housing completions and aggregate sales. Statistics show that housing accounts for approximately 30% by value of all new construction in the United Kingdom. At a national level, therefore, and on the basis of being consistent in terms of planned provision for both housing and aggregates, it was agreed that the provision required for aggregates should be guided by a 30% uplift on historical sales figures.

The National Figure is 20.224 Million Tonnes Per Annum (MTPA)

#### **3.4.2 Stage 2 – Calculation of the Regional Split between North and South Wales.**

The national figure, set out in stage one, is split between North and South Wales. This split is based on the historical sales, that is 38% North Wales and 62% South Wales.

The South Wales figure is 12.486 MTPA.

### 3.4.3 Stage 3 -Calculation of Sub-Regional and LPA Apportionments.

Powys is one of the seven identified sub-regions for Minerals Planning Purposes in Wales.

The RTS Steering Group agreed that the pattern of apportionments should reflect, not only the pattern of historical sales (as had been used in the First Review) but also, where necessary, the pattern of house construction achieved over the baseline period. This would have the added benefit of introducing changes to the supply pattern so that it becomes more aligned with the spatial pattern of observed (and likely future) demand, thereby addressing some of the inequalities that are reflected in the existing (historical) pattern of supply.

For the Powys sub-region however, the final decision, taking qualitative judgements into account, was to continue to base the apportionment on only historical sales (Option A) and not on planned housing activity (Option B) or a hybrid of the two.

The Option A scenario, based wholly on historical demand, was agreed by the Stakeholder Group as being the most reflective of the minerals situation in Powys – ***“Option A provides the most reliable reflection of future demand for Powys, being dominated, as it is, by exports of HSA (high PSV) Aggregates to England. That option is therefore preferred without modification”*** (Qualitative Comment –table 5.3, RTS Review, September 2020).

Option A provides Powys with 28.19% share of the South Wales regional total and an annualised apportionment of 3.519 million tonnes per annum.

### 3.4.4 Stage 4 – Sand and Gravel and Crushed Rock Total Apportionment.

The final stage of the RTS process relates to the separation of each LPA’s apportionment figure by aggregate type (i.e. natural sand & gravel, and crushed rock), and then comparison of the total requirements for each of those, over the relevant Plan periods, with the current stock of permitted reserves, in order to determine whether or not new allocations are required to meet any shortfalls.

The RTS Review calculates that Powys has crushed rock reserves of 139.240 million tonnes or a land bank of 39.6 years (see Table 5.7, pg 62 of the main document) and this meets and exceeds the identified need for a 25 year land bank requirement of 87.981 million tonnes as specified by PPW and

the MTAN. Therefore, no new allocations for crushed rock aggregates provision are required.

The Powys apportionment for the provision of crushed rock aggregates in the next LDP is: **3.519 MTPA until the end of the Plan period and for 10 years there-after** (the data demonstrated a surplus supply, no new allocations required).

The Powys apportionment for the provision of land won sand and gravel in the next LDP is: **Nil**

3.5 It is therefore recommended that the above apportionment figures from the RTS Second Review (2020) are taken forward at LDP Review.

3.6 Additional Impacts

### 3.6.1 **Safeguarding of primary aggregate resources in Powys**

In addition to the apportionment requirement, the Powys LDP should safeguard resources of both crushed rock aggregates and land-based sand & gravel in accordance with the British Geological Survey's safeguarding maps, or such other geological information as may be available and suitable for this purpose.

### 3.6.2 **Safeguarding of wharves and railheads in Powys**

Furthermore, the RTS asks that all existing and potential new railheads are identified for safeguarding within the LDP to provide a full range of sustainable transport options (whether or not they are currently utilised).

## 4. **Resource Implications**

4.1 Endorsement of the RTS does not have a financial cost to the authority. The work associated with the RTS will however require some further workstreams which will be funded through the existing Planning Policy revenue budget.

4.2 The Head of Finance (Section 151 Officer) can support the recommendation based on the above.

## 5. **Legal implications**

5.1 The RTS will inform the policy in the next Local Development Plan including identifying which existing minerals sites (land-banks) are expected to contribute to the apportionment for Powys and the policies for the long-term safeguarding of primary aggregates resources across the wider LDP area.

5.2 Legal Services supports the adoption of the Regional Technical Statement 2020 within the time frame required by MTAN 1 ( Principal Solicitor Shire).

5.3 The Head of Legal and Democratic Services ( Monitoring Officer) has commented as follows: “ I note the legal comment and have nothing to add to the report”.

## **6. Data Protection**

6.1 The proposal does not involve the processing of personal data.

## **7. Comment from local member(s)**

(insert here any comments received from local Members on the subject matter)

## **8. Integrated Impact Assessment**

8.1 The RTS is an external technical document which supports the evidence base of the LDP, as such it does not require an impact assessment. Any policy or proposals arising from the evidence will be subject to the relevant impact assessment(s) at the appropriate time in the plan making process.

## **9. Recommendation**

9.1 It is recommended that the Portfolio Holder endorses the Regional Technical Statement Second Review (2020) in Appendix 1 of the report.

9.2 The main purpose of the endorsement is to confirm that Powys County Council accepts the apportionment for aggregates for the Powys LPA area, as set out in the Second Review of the RTS (figures as detailed at 3.4.4 above).

9.3 In accordance with national policy, the revised or replacement Powys Local Development Plan will include the latest RTS requirements to ensure that the required land bank for the supply of aggregates (crushed rock in Powys, sand and gravel land bank not relevant) as required for the construction industry and economic health is maintained.

9.4 It should be noted that if individual local authorities do not accept the Regional Technical Statement Second Review, the Welsh Government will, as a last resort, consider its default powers to intervene in the Development Plan process (MTAN 1, paragraph A3).

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## **APPENDIX 1**

Final RTS Documents for endorsement:

Regional Technical Statements for the North Wales and South Wales  
Regional Aggregate Working Parties - 2nd Review - (Main Document)  
September 2020 – *attached in separate file*

Regional Technical Statement (2nd Review) Appendix B (South Wales)  
September 2020 – *attached in separate file*

**APPENDIX 2: Map Showing the Regional Technical Statement Sub-Regional Groupings**

