

**Vale of Glamorgan Council
and
Mineral Products Association**

**Examination of Vale of Glamorgan Local
Development Plan 2011 - 2026**

**Statement of Common Ground
Policy SP9**

FINAL

12th February 2016

Background

- 1.1 This Statement of Common Ground has been produced by the Mineral Products Association (MPA) (by canvassing members on the latest production and reserves figures for Vale quarries which have been the subject of disagreement between the parties) and by the Vale of Glamorgan Council. Where agreement has not been reached on specific points these are specified in the text.
- 1.2 The purpose of the Statement is to reconcile the figures presented in the Minerals Background Paper (September 2014) on reserves and their classification with information given by the industry on reserves and production.
- 1.3 The Deposit Draft LDP (revised in November 2013) contains a policy SP9 which deals with minerals (actually aggregate minerals only).
- 1.4 This policy is supported by text (paragraphs 5.87 – 5.91) and a Minerals Background Paper (2011) which concludes there is no need for allocations for aggregate minerals based on landbank calculations.
- 1.5 The MPA objected to the policy of lack of allocations when the emerging RTS Review (in its final stages of formulation December 2013) indicated a strong discrepancy between the RTS (13.55 Mt allocation) and the evidence presented in the Draft LDP (no allocation justified).
- 1.6 The RTS Review was accepted by the South Wales RAWP in March 2014, endorsed by WG and published in August 2014.
- 1.7 Subsequently, the Minerals Background Paper was updated and the Focused Changes to the Draft LDP were published in July 2015 with new figures which essentially left the aggregates strategy unchanged. The MPA continued its objections based on the unexplained discrepancy between the RTS Review and the LDP.
- 1.8 In November 2015 the MPA and Vale of Glamorgan met to discuss the issues between the parties where the MPA explained its methodology following which it was agreed that the MPA would canvass its members for up-to-date data on reserves, output and intended uses. The two parties met again in January 2016 and this Statement is the outcome of those discussions.
- 1.9 The major source of issue between the parties can be summed up as how to treat Dormant reserves and what if any, allowance should be made for industrial limestone which is also suitable for use as aggregate.

Terminology

1.10 It is important to clarify the terminology used in this Statement in order to understand the reserves and landbank position. This statement uses the definitions of landbank, active site, inactive site, dormant site contained within the RTS Review Glossary (pages 65- 67) and represent an up to date interpretation of terms used in Welsh policy and mineral planning.

Current Published Data

2.1 Table 1 below summarises the current published data in terms of the reserves and the landbank situation in the Vale of Glamorgan. The data is taken from the SWRAWP Annual Reports for the last 10 years and from the Regional Technical Statements (RTS) for the area covered by the SWRAWP dated October 2008 (2005 base date) and August 2014 (2010 base date) plus the Council's Mineral Background Papers and Deposit Draft LDP.

Year	SWRAWP Annual Reports		Regional Technical Statement 2008 & 2014		Minerals Background Paper – 2011 & 2014	
	Reserve (Mt) ¹	Landbank (Yrs)(3yr avge)	Reserve (Mt)	Landbank (Yrs)(3yr avge)	Reserve (Mt)	Landbank (Yrs)(3yr avge)
2004	22.4	16	22.0	16		
2005	22.0	16	22.0 ²	16		
2006	25.0	18				
2007	20.0	14				
2008	26.0	19				
2009	21.22	17			23.4	22
2010	30.0	31	13.7	(12.5) ³		
2011		41				
2012		33			35.6 ⁴	32.7 ⁵
2013		67 (34) ⁶				

¹ Non-aggregate reserves have been excluded from reserve figures

² Only includes active sites

³ Based on 10 year average production

⁴ The Minerals Background Paper (Para 4.21) has a reserve figure of 51.5 Mt (47.2 years)

⁵ Para 5.88 of the Deposit Draft LDP has a landbank of 56.2 years (or 61.3 Mt)

⁶ Figure in brackets is based on 10 year average production

- 2.2 Table 1 indicates that the SWRAWP Annual Reports of 2004 and 2005 and the RTS 2008 were in accord in relation to reserves and the landbank in the Vale of Glamorgan.
- 2.3 However, the reserves stated in the Annual Reports up to 2010 do not include what was considered to be a Non Aggregate Reserve.
- 2.4 The RTS 2008 makes it clear that the 22 million tonne figure only includes active sites, although it may contain some Non Aggregate Reserve. It did not include inactive or dormant sites even though 'inactive' sites should have been included in accordance with Paragraph 45 of MTAN1. Inactive sites would have added 6.4 million tonnes to the landbank and dormant sites would have added 8.5 million tonnes. However, the SWRAWP Annual Report for 2010 and the RTS 2014 (which used 2010 as a base date) show a very significant variation in reserve figures. The SWRAWP Annual Report 2010 gives the reserve in the Vale of Glamorgan as 30 million tonnes whereas the RTS 2014 gives the reserve as 13.7 million tonnes – a discrepancy of 16.3 million tonnes. The SWRAWP Annual Report 2009 and the Minerals Background Paper of November 2011 (based on 2009 data) are much closer together being 21.22 million tonnes and 23.4 million tonnes respectively.
- 2.5 Table 2 below shows the sites included in each of the documents. However, the difference in reserve figures is not accounted for by the omission of Pant and Forest Wood from the RTS 2014. These together would have added between 2 million and 6 million tonnes leaving a discrepancy of between 10 million and 14 million tonnes. The MPA considers that the discrepancy may be explained if the RTS Review did not include a reserve figure for Garwa Farm, which is possible if it relied on the 2011 Minerals Background Paper or assumed that it contained only industrial stone. However, the Council is not convinced that this is the reason for the discrepancy.

Table 2			
Site Name	Annual Report 2010	RTS 2014	Minerals Background Paper – Nov 2011
Garwa Farm	√	√	
Lithalun	√	√	√
Pantyyffynnon	√	√	√
Wenvoe	√	√	√
Forest Wood	√		√
Eweny	√	√	√
Longlands	√	√	√
Pant	√		√
Argoed Isha*	√	√	
Cnap Twt*	√	√	
Ruthin*	√	√	√
St Andrews*	√	√	
Beaupre*		√	

*- Dormant site

2.6 Due to the disparity in the figures provided by the SWRAWP Annual Reports, The Minerals Background Paper (November 2011) and the RTS 2014, the Vale of Glamorgan sought to clarify matters and commissioned Carmarthenshire County Council to re-assess the reserves at each quarry site. Where possible these reserve figures were verified with the operator.

2.7 Table 3 below sets out in summary form (aggregated by the MPA to preserve company confidentiality) the Reserve Figures used to inform the Minerals Background Paper 2014.

TABLE 3	RESERVE
Mineral Background Paper 2014 Crushed Rock Reserves (tonnes)	2013
ACTIVE SITES (Aggregate)	10,396,000
INACTIVE SITES (Aggregate)	25,240,000
SUB TOTAL	35,636,000
DORMANT SITES	15,823,000
INDUSTRIAL	0
TOTAL	51,459,000

The MPA Reserve Assessment 2015

- 3.1 In December 2015 the MPA canvassed its members operating in the Vale of Glamorgan to provide up to date reserve assessments. The Council has also reviewed its reserve data and landbank calculations as part of this SOCG to take account of new information.
- 3.2 From the industry point of view the Vale of Glamorgan quarries are very important to markets in South Wales. Vale of Glamorgan is one of four premier producing areas in South Wales which make a combined contribution of 45% to regional aggregate rock requirements. Of these, Powys is a heavy producer of specialised aggregates leaving Carmarthenshire, Cardiff and Vale of Glamorgan as the largest producers of crushed rock aggregates for the general market. The quarries are well located to the strategic highway network and are capable of supplying a large area within the region via the M4. In addition, some of the Vale's quarries are also or are proposed to be significant industrial stone producers.
- 3.3 Since 2009 the recession has affected MPA members greatly. Sites were mothballed and production patterns were changed to survive the market collapse. Consolidation in the industry has also intensified and member companies have merged or been taken over. Latterly however, the market has improved and there is a higher degree of business confidence. Assets are being reappraised and strategies are being implemented for long term commercial health.

- 3.4 The survey results have therefore involved member companies in reassessing reserves according to expected market conditions and improved knowledge of geological site conditions. The figures for each site have been shown to the Council but not to other MPA members and aggregated figures have been produced for the public domain. Permission to publish where fewer than three companies are in any one category has been obtained.
- 3.5 Table 4 presents the MPA equivalent to Vale's Table 3 above (Table 4 is not agreed by the Council).

TABLE 4	RESERVES
MPA Survey Results Crushed Rock Reserves (tonnes)	2014
ACTIVE SITES (Aggregate)	9,797,000
INACTIVE SITES (Aggregate)	9,165,000
SUB TOTAL	18,962,000
DORMANT SITES (Aggregate)	6,500,000
INDUSTRIAL⁷	15,573,000
TOTAL (Aggregates and Industrial)	41,035,000

- 3.6 The following sites that have been included by the MPA in Table 4 are listed (Table 5) with notes about each calculation, as appropriate. In its calculations, the MPA has accepted figures provided by Vale of Glamorgan for Pantyffynnon and Longlands. The MPA accepts that Beaupre, Cnap Twt and St Andrews are unlikely to be worked in the future but also believes that Argoed Isha is unlikely to be reactivated. Please also note that the MPA has included all currently inactive sites (not Dormant sites) in the landbank on the basis that no further consent is required to re-open these operations.

⁷ Excludes Aberthaw which is not part of the aggregates business of MPA members

TABLE 5	RESERVES - SITE NOTES
ACTIVE SITES (Aggregate)	
Forest Wood	
Pant	Suitable for both aggregates and industrial uses but mostly serves the latter. 10% used as aggregate
Pantyyffynnon	MPA has used the VoG figure
Longlands	MPA has used the VoG figure
Lithalun	Reserves recently reassessed
Wenvoe	
INACTIVE SITES (Aggregate)	
Eweny	Reserves recently reassessed
Garwa Farm	Quantum of Reserves recently reassessed. 50% assumed recoverable as aggregate until detailed work is undertaken for future planning application
DORMANT SITES (Aggregate)	
Ruthin	Quantum of Reserves recently reassessed. 50% assumed recoverable as aggregate until detailed work is undertaken for future planning application
Argoed Isha	

- 3.7 The MPA considers that a number of observations on this list are in order. Pant output continues to supply the cement works at Aberthaw with only a small percentage used to supply local aggregate markets. Ewenny is suitable only for aggregate and could be re-opened if demand justified it. At Garwa Farm and Ruthin 50% of the reserves are intended for industrial uses. However, at both sites there is understood to be further reserves which are only suitable for aggregates. Further site investigation is required to determine the suitability of this mineral for aggregates. Designs and reserve calculations are due for update in 2016/2017 for a planning submission. For the current purposes the MPA has assumed a split of 50:50 to the reserves at Garwa Farm and at Ruthin to acknowledge this fact. The Council fundamentally disagrees with the observations in relation to Ruthin and does not consider that any justification has been produced for the assumed 50:50 split especially as Blue Circle Industries plc (the then owners) advised the Council in 1997 that the consented reserves at Ruthin Quarry were unsuitable for cement manufacture.
- 3.8 The permissions for Garwa Farm and Ruthin are subject to time limits requiring a cessation of mineral extraction at Ruthin by 31st December 2017 (required by Section 106 Agreement dated April 1998), and by 31st December 2019 at Garwa Farm (required by September 1997 planning permission). The operator concerned has indicated that these sites will be the subject of a consolidating application which will be submitted before the end of 2017 in order to preserve the ability to work these deposits. The MPA considers that the reserves figures noted in Tables 3 & 4 above do not therefore fully reflect the complexities of the reserves position. The Minerals Background Paper September 2014 highlights the fact that the Garwa Farm planning permission expires in 2019, and that whilst it is open to the owner to seek to extend the end date, *“the Council cannot pre-judge any potential application for an extension of the time period and if permission were to expire there would be a reduction in the active / inactive reserve in 2019”*, ref Para 4.11 (then calculated by the Council as between some 15 and 20.6m tonnes). However, the MPA considers that this did not stop the Council from relying on the reserves as part of the landbank for the entire plan period. Moreover, the quantum of reserves cannot be guaranteed given the demands for modern operating standards. If the two largest reserves are to expire during the lifetime of the Plan this will affect the landbank throughout the plan period and therefore needs to be reflected in policy and provided for by allocations. The MPA submits that the Vale cannot simply assume that these permissions will be renewed given that they will have to be subject to EIA and public consultation, and to a commitment from the Vale to vary the planning agreements to allow working beyond the current time limits.
- 3.9 The Council disagrees with the MPA position and considers that there is currently no clear ‘in principle’ policy reason why the proposed consolidating application at Garwa Farm and

Ruthin should be refused and therefore these reserves can legitimately be relied upon. At the time of writing the Minerals Background Paper the Council had not received any indication from the owner of Garwa Farm in relation to their intentions for that site. That position has now changed and the owners have clearly stated an intention to seek a planning permission to extend the life of the site.

3.10 The MPA considers that it should also be noted that aggregates are a by-product of industrial stone production at these sites and the output of aggregates is or will be determined by the need for industrial stone and by its specification requirements. The Council's position is that this is not necessarily the case. At Forest Wood it is understood that the future of the operation lies within the Vale and production will steadily increase as the quarry extends in this direction.

The Vale of Glamorgan Reserve Assessment 2015

4 The Council has updated the reserve figures in the Minerals Background Paper (September 2014) and these are included in Table 6 below:

TABLE 6	Reserve 2014
ACTIVE TOTAL	13,680,000
INACTIVE TOTAL	17,165,000
SUB TOTAL	30,845,000
DORMANT TOTAL	15,463,000
INDUSTRIAL	0
TOTAL LANDBANK	46,308,000

4.1 These figures translate into a landbank (excluding dormant sites and including dormant sites with potential for future working) at various extraction rates as shown in Table 7 below.

Table 7			
Landbank Calculations (years)			
	RTS Annualised Apportionment (1.09 million tonnes)	Ten Year Average figure (785,000 tonnes)	Sales Returns reported to the Council for 2014 (303,000 tonnes)
Active/Inactive Reserve (excluding Dormants)	28.3	39.3	101.8
Active/Inactive Reserve (including Dormants)	42.5	59	152.8

- 4.2 This is more than 25 years in all cases so on this basis no allocations are necessary in accordance with MTAN1 (as revised by Policy Clarification Letter CL-05-14). The reserve with planning permission (including and excluding dormant reserves) is also more than the 27.25 million tonnes required by the RTS 2014.
- 4.3 The MPA is of the view that reserves currently allocated for industrial mineral uses (even though they have the technical capability to be used as aggregate) plus Dormant sites should be excluded from the landbank calculations because only this approach is consistent with RTS Review methodology. The impact on the reserves is set out in Table 4 above.
- 4.4 The MPA figures (active and inactive aggregate reserves of 18.9 m tonnes – table 4) indicate a landbank of 17.3 years (excluding Dormant sites) at the RTS apportionment level (1.09 Million tonnes per annum). However, this 17.3 year landbank is itself reliant upon a renewal of the planning permission for extraction at Garwa Farm which the Council has said cannot be guaranteed. The MPA will address this point in its Hearings Statement.
- 4.5 Table 8 below indicates the landbank figures based on the MPA Reserves at each of the various sales levels.

Table 8 Landbank Calculations MPA Reserves data (years)			
	RTS Annualised Apportionment (1.09 million tonnes)	Ten Year Average figure (785,000 tonnes)	Sales Returns reported to the Council for 2014 (303,000 tonnes)
Active/Inactive Reserve (excluding Dormants)	17.4	24.1	62.6
Active/Inactive Reserve (including Dormants)	23.4	32.4	84

- 4.6 The table indicates that the landbank is only less than 25 years where either dormant sites are excluded or at the annualised apportionment level set in the RTS. AT the current extraction rates the landbank exceeds 25 years.
- 4.7 In arriving at the above figures the Council does not consider that the MPA has properly applied Welsh Government Guidance or the RTS methodology. There are no valid reasons to exclude dormant sites as their inclusion meets with the requirements of MTAN1 and having assessed the likelihood of dormant sites working in the future it also accords with the RTS 2014.

Discussion

- 5.1 Reserve information for mineral sites changes by the additions of new consents, by the subtractions of regular production, and by reassessing reserves due to geological or market conditions (e.g. new specifications). The reserve figures for MPA members' quarries have now been assessed by the MPA and the Council. The issues have primarily revolved around confusion about what should be included in the landbank (as evidenced by the

discrepancies in published material) and whether uses other than aggregates should be recorded.

5.2 The Vale's view is that when rock is suitable for aggregates use it should be recorded as part of the landbank even though it may not be actually used for that purpose. The MPA takes the view that the Council's approach of recording reserves as aggregate which are earmarked by operators for industrial stone in the landbank is not valid because it does not follow the accepted RTS Review methodology.

5.3 A further issue is how to treat Ruthin as one of the two Dormant sites in the County. The Minerals Background Paper cites the RTS Review as justification for offsetting any shortfall in reserves by including the Dormant sites. The MPA's view is that there has to be solid evidence that such sites will be worked in the plan period as is recognised by the RTS Review (paras 2.4 & 5.19). The Vale has confirmed that Ruthin's consent is time limited to December 2017 and its continuation depends on a consolidating application being made by the operator and approved to keep it alive and link it with Garwa Farm (which would also otherwise disappear from the landbank in 2019). The information supplied by MPA members indicates that if permitted, the reserves at Garwa Farm and Ruthin would be worked following the exhaustion of Pant quarry. The Council does not agree and considers that there is real potential for Ruthin to be worked in the future. Where this is the case the Council is of the view that MTAN1 and the RTS 2014 support its inclusion within the landbank calculations. . The MPA do not believe that Argoed Isha will be worked, which will be the subject of further comment in the MPA's Hearing Statement. The following table shows the effects of the two sets of figures on the need for future mineral in the plan period.

Table 9 (Million tonnes)	RTS 1st Review	Minerals Background Paper 2014	Mineral Products Association	Vale of Glamorgan (excl. industrial minerals)
Apportionment 2011 - 2036	27.25			
Apportionment 2014-2036	N/A	23.98	23.98	23.98
Reserves 2014	(2010) 13.70	(2012)35.64	(2014) 18.96	30.85
Surplus/Shortfall (+/-)	- 13.55	+ 11.66	- 5.02	+6.87

Conclusion

- 6.1 A reassessment of reserves by the MPA has concluded that at the end of 2014 there were 18.96 Million tonnes of reserves in the landbank (not counting Dormant sites and not including mineral reserved by the operators for industrial uses) spread over 8 sites and at least four operators. A further 6.5 Million tonnes of aggregate were contained in a Dormant site judged likely to be worked at some time in the future. A further 15.57 Million tonnes were allocated by operators for industrial uses in three sites, all of which would produce some aggregates as a by-product.
- 6.2 The MPA considers there is a shortfall justifying a minimum allocation in the LDP of 5.02 Million tonnes in order to meet the requirements of the RTS Review's apportionment. However, the situation is complicated by the Section 106 obligations and planning permission which require the cessation of mineral working at Ruthin by the end of 2017 and at Garwa Farm by the end of 2019. In the absence of a renewal of these permissions there will be an effect on the landbank during the plan period and the quantum of allocations required. The MPA continues to argue for the RTS Review methodology of excluding Dormant sites and industrial limestone reserves from the landbank. It is permissible for the Vale to consider Dormant sites to set against any need for allocations, but when considering new allocations attention should also be given to preserving overall productive capacity at least as high as the annual apportionment and a competitive market. The MPA cannot endorse any particular site or sites for allocations.
- 6.3 The Council does not agree with the MPA position and considers that there are more than sufficient aggregate reserves available to exceed 25 years. That being the case there is no requirement for an allocation in the Plan. In addition, existing reserves are greater than the apportionment required in the RTS 2014. In such circumstances the strategy of the RTS is not undermined and the Council can deliver on the RTS requirements.