2nd REVIEW OF THE REGIONAL TECHNICAL STATEMENTS

(SOUTH AND NORTH WALES REGIONAL AGGREGATE WORKING PARTIES)

Llywodraeth Cymru
Welsh Government

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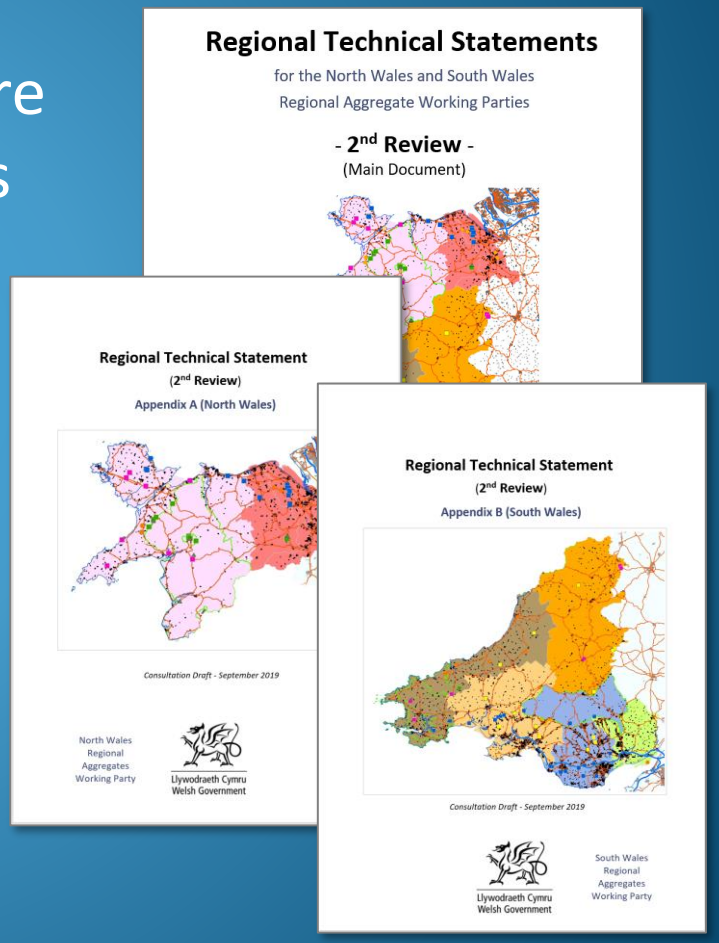
Consultation Presentation

The Purpose of the RTS

- To provide a strategy for the future supply of construction aggregates across Wales and within each Region
- The strategy aims ensure that an adequate and steady supply of aggregates can be maintained, taking into account the key objectives of sustainable supply outlined in MTAN 1.



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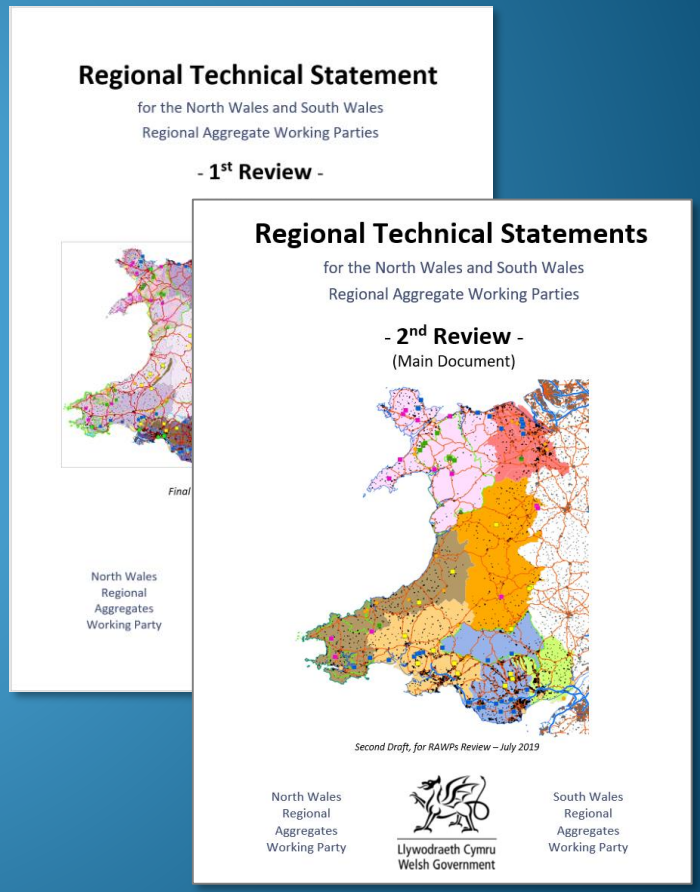
Aims of the Review

i. to confirm or refine the existing methodology and update the current data/information inputs of the current RTS documents; and

ii. to prepare new apportionments and an updated RTS for each RAWP region

(identical to the 1st Review)



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Key Definitions

- A **landbank** is the stock of reserves with planning permission for mineral extraction at active and inactive sites (MTAN 1 para. 45).
- An **allocation** is the identification, within the LDP, of an area of land for future mineral working.
- An **apportionment** is the rate at which the planning system requires provision to be made, in LDPs.

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- **Provision** is the total amount of aggregates required to be supplied from a local authority over the duration of its LDP. It may include both landbanks and allocations (subject to maintaining a minimum landbank of 10 years (CR) or 7 years (S&G) at all times throughout the entire Plan period).
- For the purposes of this review, reserves at **dormant** sites are excluded from basic landbank calculations.
- Such reserves are however required to be identified in Development Plans (MTAN 1 para. 47).

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RTS Timescale

- Each RTS needs to have a ‘horizon’ sufficiently far ahead for LPAs to draw upon when preparing their LDPs
- To allow for the 15 year period of most individual LDPs, and the requirement to maintain a minimum 10 year landbank throughout this period, for crushed rock, the RTS ‘horizon’ needs to extend to 25 years.

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RTS 2nd Review Process

1. Assessment of the overall level of future aggregates provision required, on a National scale.
2. Calculation of the Regional split (N. Wales / S, Wales)
3. Examination of the existing pattern of supply, and determination of sub-regional & LPA apportionments.
4. Comparison with existing permitted reserves to determine the need, or otherwise, for new allocations
5. Consultation & Endorsement
6. Implementation by LPAs

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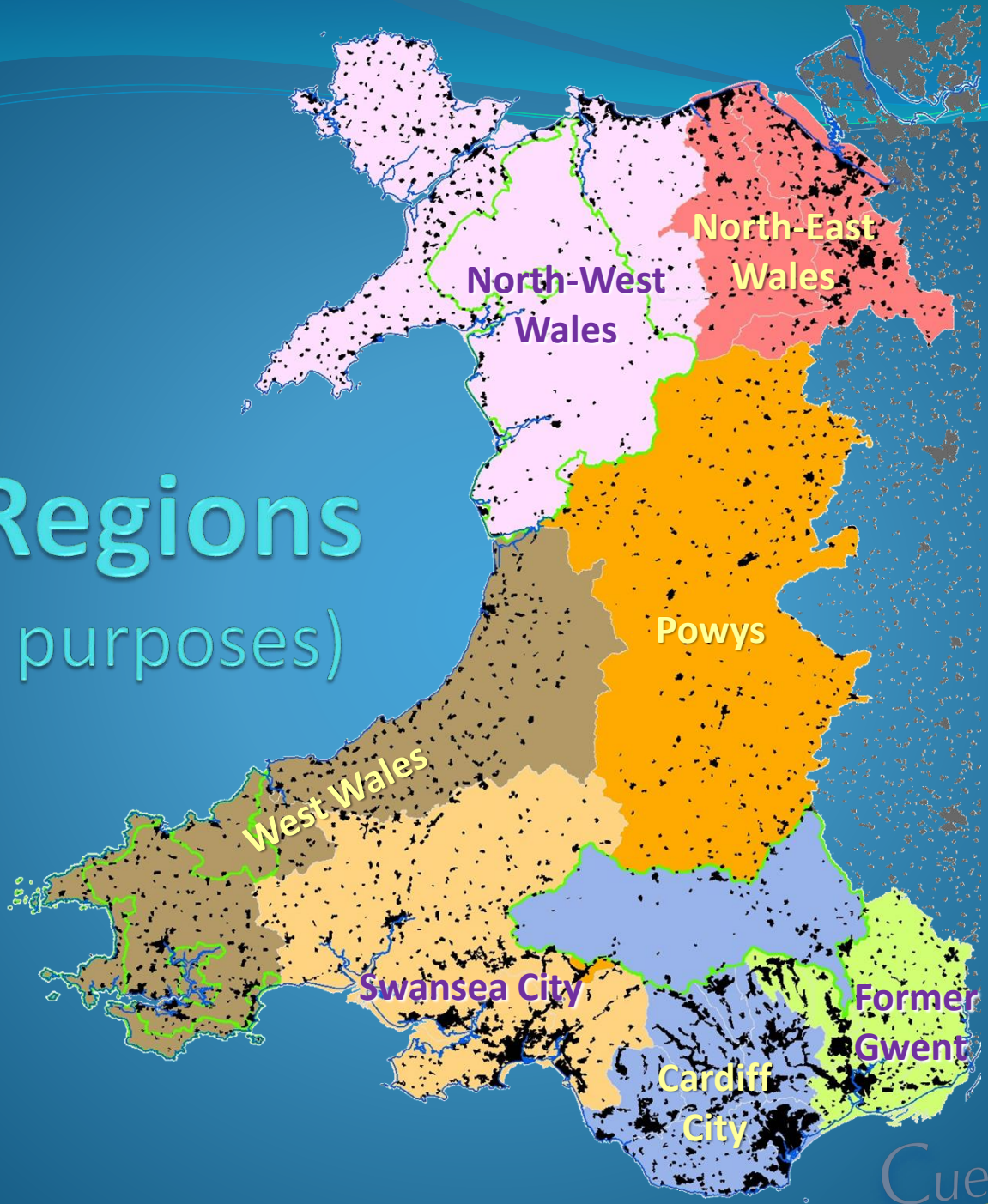
Sub-Regions

(for RTS purposes)



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1) National analysis

- Calculation of historical sales averages over the most recent 10-year 'baseline' period (2007-2016) and over the most recent 3 years.
- These figures represent the 'residual' demand for land-won primary aggregates *(since alternative aggregates - secondary, recycled and marine - were also contributing to the market throughout this period)*.
- Consideration of influences on future demand which might change over the next 10 years, compared to the baseline period.

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Table 3.2

Aggregate Sales

Unitary Authority	**10-yr Average Aggregate Sales (total)** (mtpa)	**3-yr Average Aggregate Sales (total)** (mtpa)	**Highest of 3-yr and 10-yr ave. sales in each LPA** (mtpa)
Blaenau Gwent	0.170	0.180	0.180
Brecon Beacons National Park	0.490	0.540	0.540
Bridgend	0.580	0.600	0.600
Caerphilly	0.390	0.100	0.390
Cardiff	0.830	1.060	1.060
Carmarthenshire	0.832	0.821	0.832
Ceredigion	0.300	0.240	0.300
Conwy + Snowdonia NP	0.955	0.813	0.955
Denbighshire	0.329	0.043	0.329
Flintshire	2.663	3.204	3.204
Gwynedd	0.868	0.898	0.898
Isle of Anglesey	0.236	0.255	0.255
Merthyr Tydfil	0.150	0.010	0.150
Monmouthshire	0.070	0.060	0.070
Neath Port Talbot	0.460	0.300	0.460
Newport	0.000	0.000	0.000
Pembrokeshire	0.510	0.360	0.510
Pembrokeshire Coast NP	0.330	0.270	0.330
Powys	2.470	2.650	2.650
Rhonda Cynon Taf	0.610	0.670	0.670
Swansea	0.000	0.000	0.000
Torfaen	0.000	0.000	0.000
Vale of Glamorgan	0.660	0.580	0.660
Wrexham	0.435	0.514	0.514
TOTAL, Wales			**15.557**

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Sales vs GDP

Figure 3.3: Total Aggregate Sales vs GDP Annual % Change (UK), 2001 - 2016 (Correlation)

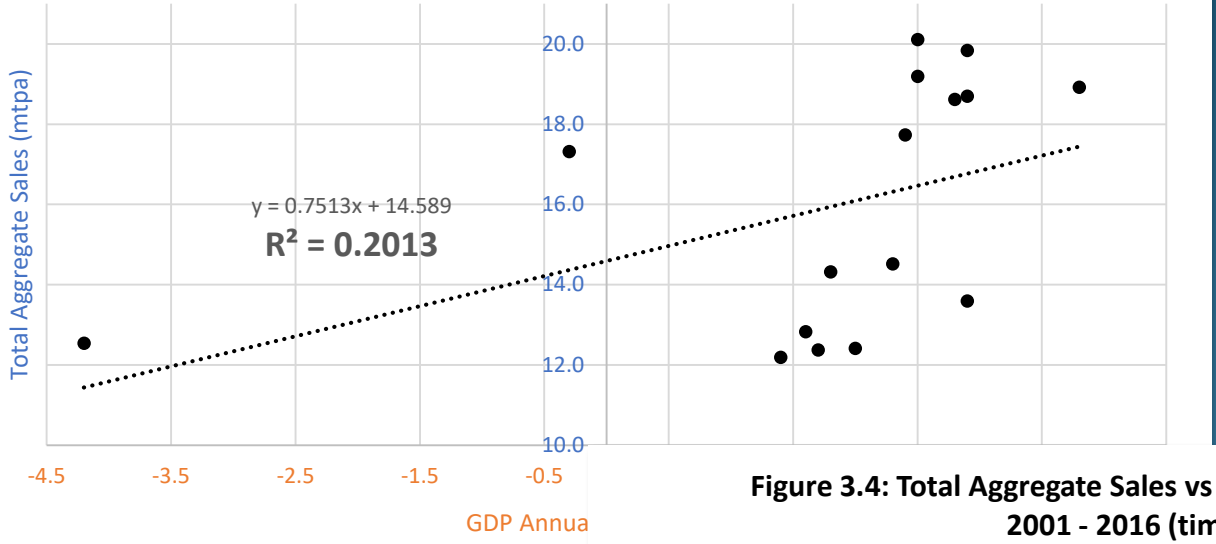
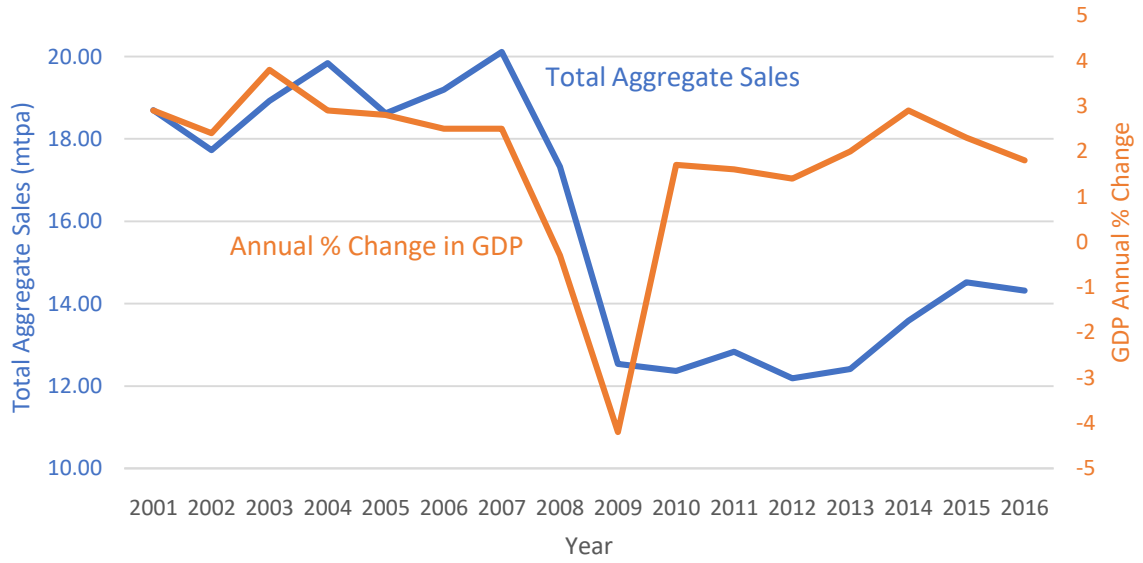


Figure 3.4: Total Aggregate Sales vs GDP Annual % Change (UK), 2001 - 2016 (time series)



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Sales vs Housing Completions

Figure 3.1: Correlation of Total Aggregate Sales with Annual House Completions (Wales, 2001 - 2016)

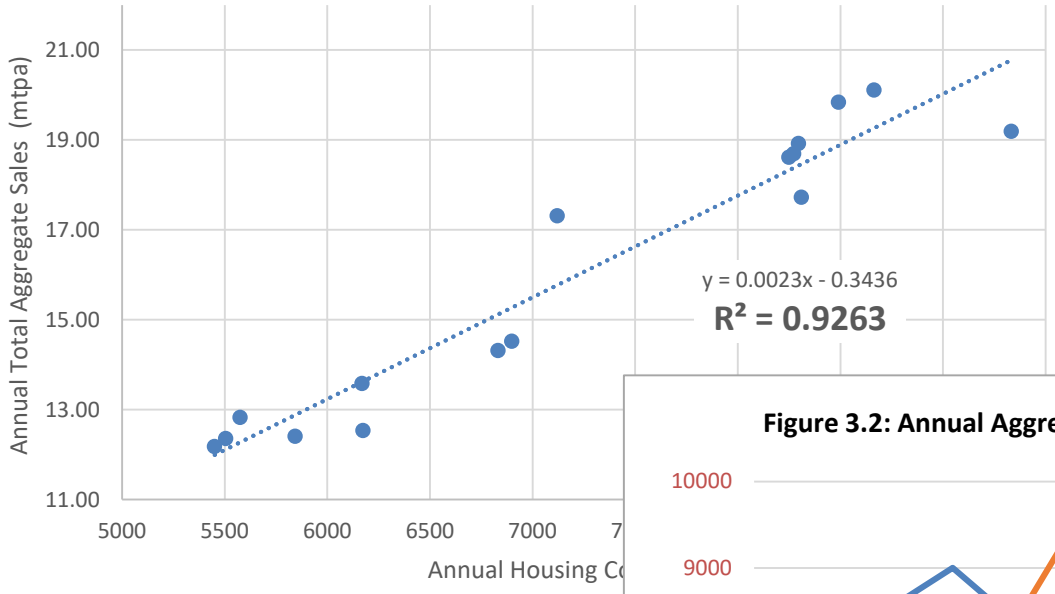

Figure 3.2: Annual Aggregate Sales and Housing Completions Time Series (Wales, 2001 to 2016)

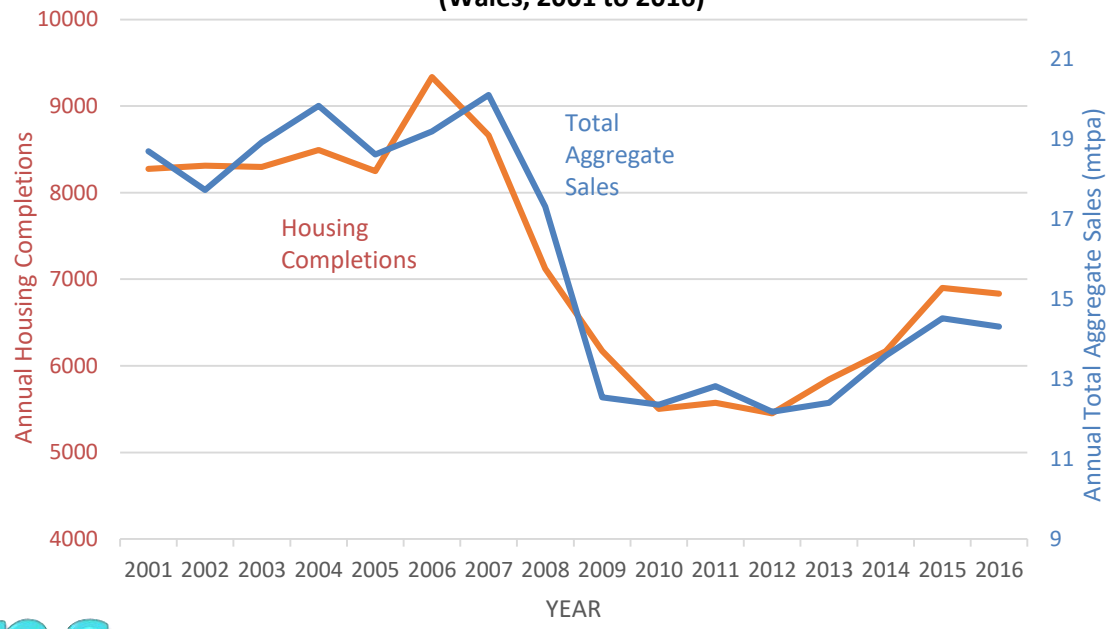

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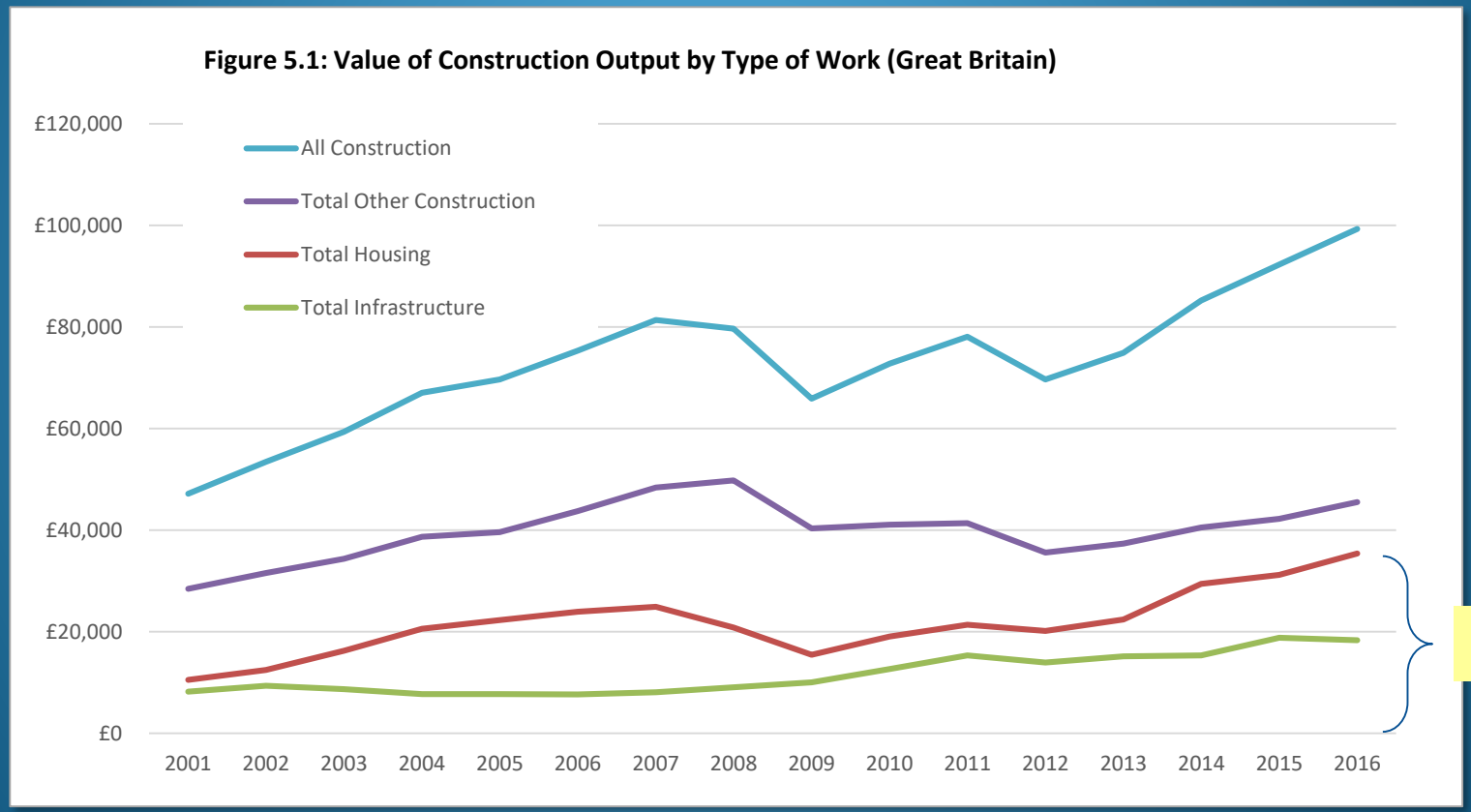
Table 3.3

Housing requirements

Unitary Authority	Plan Status	Plan period	Planned Future Housing Requirements	Annualised Future Housing Requirements	Average House Completions per year (2007 – 2016)
Blaenau Gwent	Adopted	2006-2021	3,500	233	99.1
Bridgend	Adopted	2006-2021	8,153	544	365
Caerphilly	Adopted	2006-2021	8,625	575	335.2
Cardiff	Adopted	2006-2026	41,415	2,071	825.3
Carmarthenshire	Adopted	2006-2021	15,197	1,013	517.8
Ceredigion	Adopted	2007-2022	6,000	400	126.1
Conwy +Snowdonia	Adopted	2007-22 & 2016-31	7,350	490	178.6
Denbighshire	Adopted	2006-2021	7,500	500	156.2
Flintshire	in progress	2015-2030	6,950	463	288.6
Gwynedd + Isle of Anglesey	Adopted	2011-2026	7,184	479	280
Merthyr Tydfil + Brecon Beacons National Park	Adopted	2006-2021	4240	283	133.2
Monmouthshire	Adopted	2011-2021	4,500	300	228.6
Neath Port Talbot	Adopted	2011-2026	7,800	520	274.3
Newport	Adopted	2011-2026	10,350	690	527.5
Pembrokeshire + PCNP	Adopted	2011-2026	7,299	487	240
Powys	Adopted	2011-2026	4,500	300	191.7
Rhonda Cynon Taf	Adopted	2006-2021	14,385	959	373.9
Swansea	in progress	2010-2025	15,600	1,040	519.4
Torfaen	Adopted	2006-2021	4,700	313	174.6
Vale of Glamorgan	Adopted	2011-2026	9,460	631	284.3
Wrexham	in progress	2013-2028	7,750	517	304.2
TOTAL, Wales			**202,458**	**12,808**	**6,423.6**

Housing
as a proportion of all construction



Planned Major Infrastructure

- (from the 1st Review)
  - Caernarfon bypass construction;
  - North Wales Gateway Project, including redevelopment of the Shotton steelworks sites and of the former RAF Sealand site near Queensferry;
  - New nuclear power station at Wylfa on the Isle of Anglesey;
  - Numerous large scale wind farm proposals (land-based and offshore);
  - Possible future expansion of Harwarden as a Regional Airport and to accommodate Airbus manufacturing; and
  - A55 North Wales coast road upgrade.
  - M4 (toll) Newport Relief Road
  - Swansea Bay tidal lagoon
  - Severn Barrage (subject to further evidence on economic feasibility)
  - Various large scale wind farm proposals

Calculating the National Figure

- Sum of the highest of the 10-yr or 3-yr historical sales averages for each LPA (= **15.557** mtpa)
- Then allow for the fact that the planned provision for housing in Wales is set to double …
- … and that housing is very strongly correlated with aggregate sales, and accounts for around 30% by value of all construction …
- So the national level of overall provision should be set at 130% of the historical sales average …
- = **20.224** mtpa (similar to pre-recession figure of 20.11 in 2007)

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2) Regional Split

- **North Wales** supplies between 34% and 41% of the national total, averaging 38.26%
- So, N. Wales Provision = 38.26% x 20.224 = **7.738** mtpa
- *(12.5% higher than the provision of 6.88 mtpa in 1st Review)*
- **South Wales** supplies between 59% and 66% of the national total, averaging 61.74%
- So, S. Wales Provision = 61.74% x 20.224 = **12.486** mtpa
- *(15.6% higher than the provision of 10.80 mtpa in 1st Review)*

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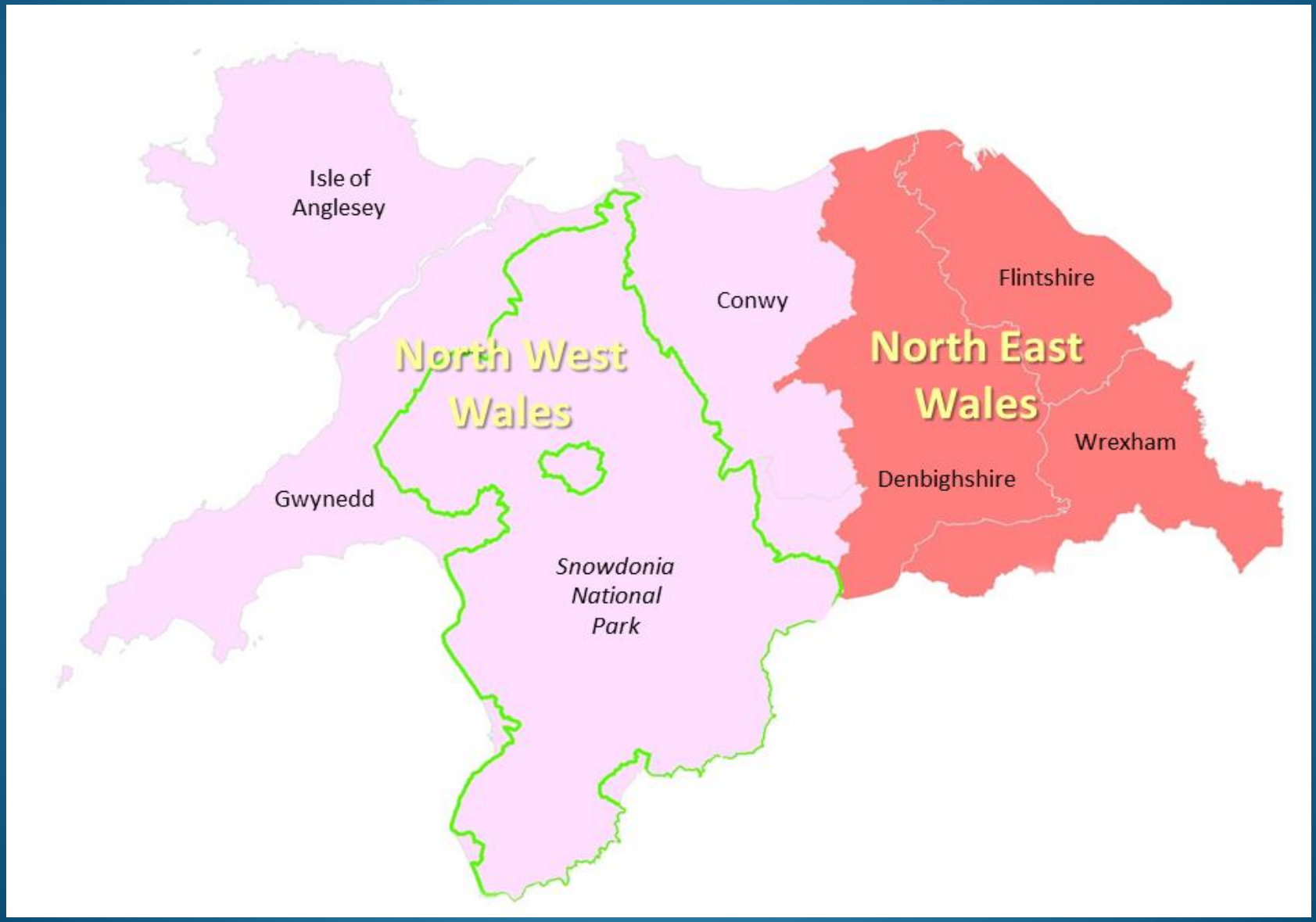
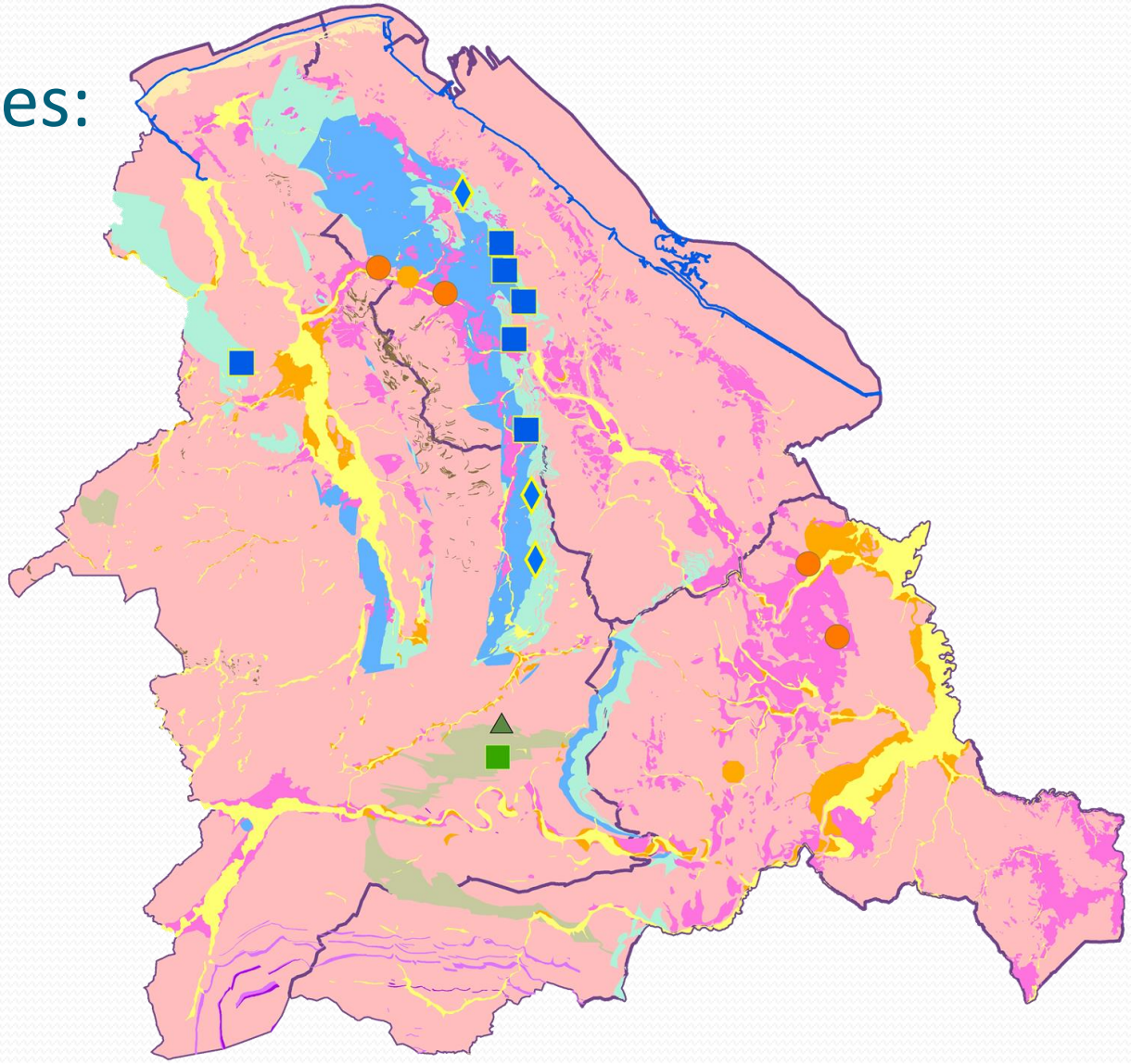
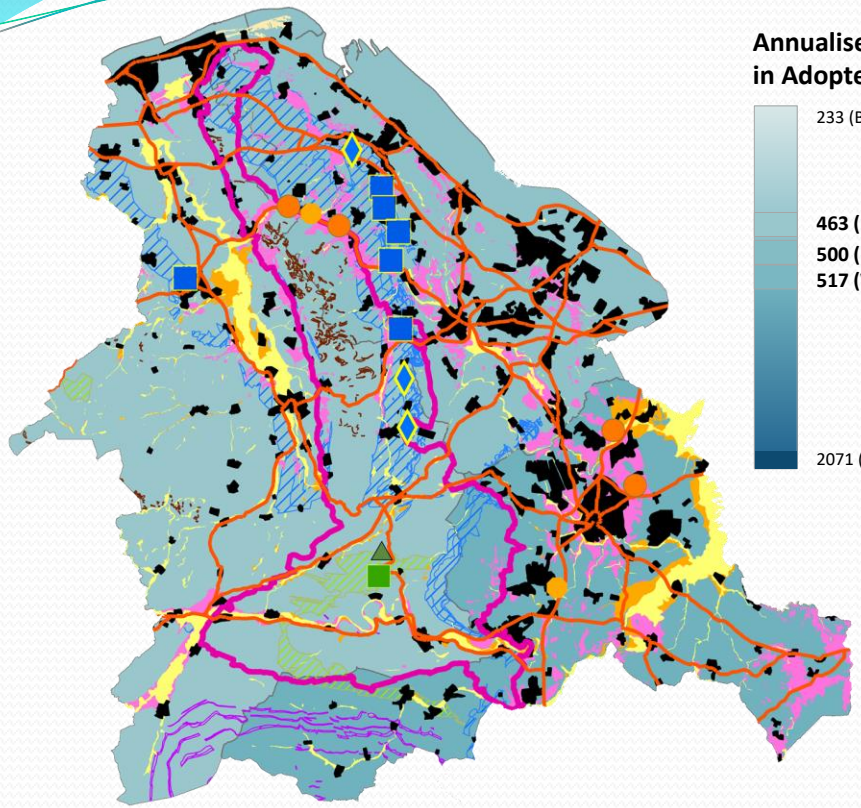
3) Sub-regional analysis



Sub-Regional Issues: North-East Wales





Annualised Housing Requirements in Adopted LDPs (houses per year)

233 (Blaenau Gwent)

463 (Flintshire)

500 (Denbighshire)

517 (Wrexham)

2071 (Cardiff)

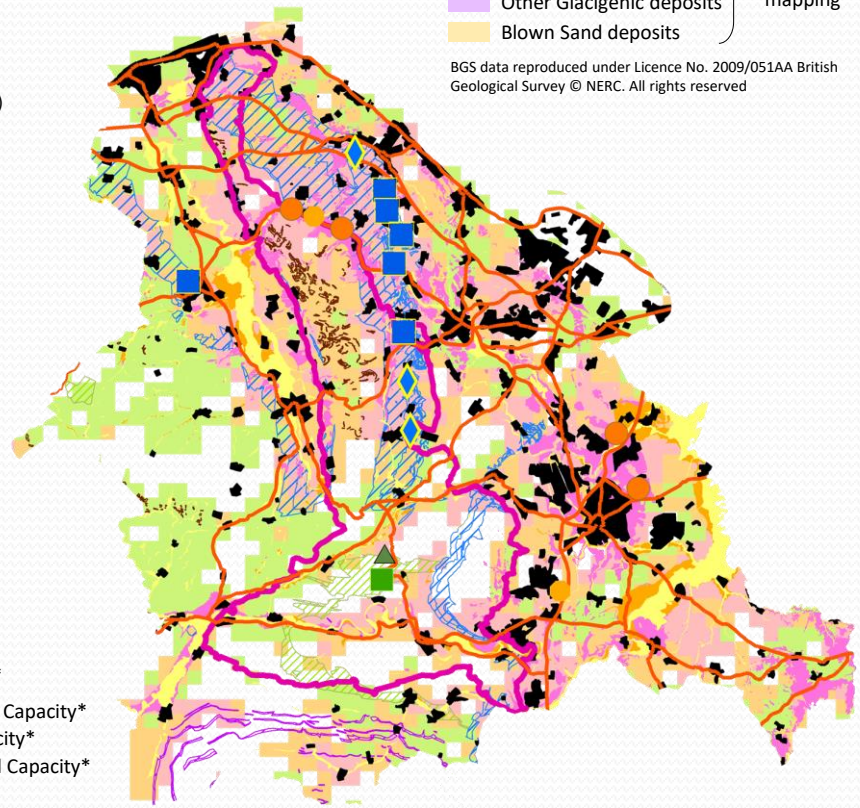
Crushed Rock Resources

- Carboniferous & older HSA Sandstone
- Carboniferous Limestone
- Slate
- Igneous including HSA Dolerite

Land-based Sand & Gravel

- Sub-alluvial deposits
- River Terrace deposits
- Glaciofluvial deposits
- Other Glacigenic deposits
- Blown Sand deposits

BGS resource mapping



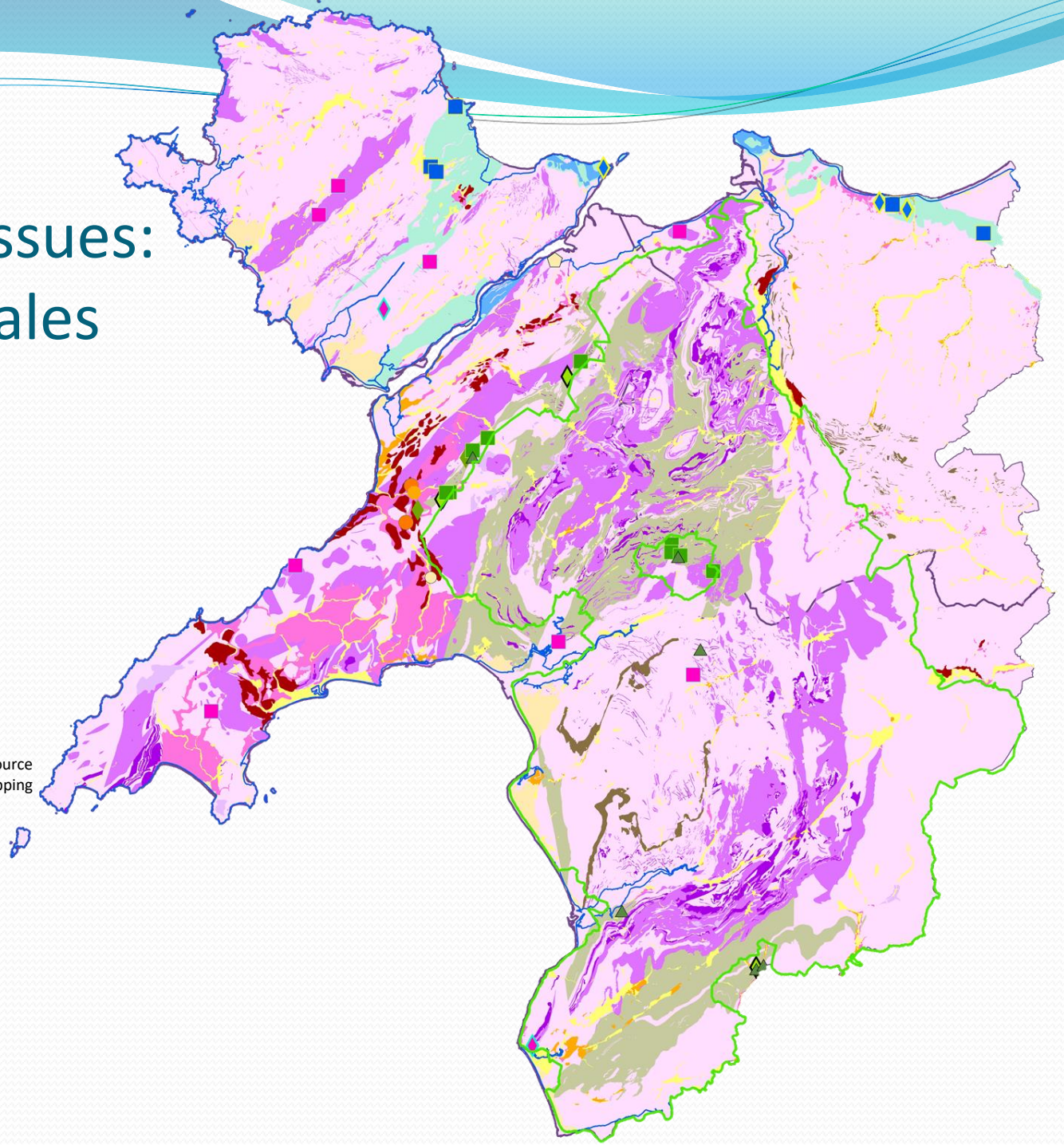
- Main urban areas
- National Parks
- AONBs

Environmental Capacity *

- Relatively Low Environmental Capacity*
- Medium Environmental Capacity*
- Relatively High Environmental Capacity*
- Areas not assessed*

* *Assessed as part of the 'IMAECA' project, (Implementing the Methodology for Assessing the Environmental Capacity for Primary Aggregates - Enviros, 2005).*

Sub-Regional Issues: North-West Wales



Active	Quarries & Pits	Inactive or Dormant
	Limestone *(excl. cement)*	
	Sandstone	
	Igneous	
	Slate	
	Slate Waste	
	Sand & Gravel	

Crushed Rock Resources

- Carboniferous & older HSA Sandstone
- Carboniferous Limestone (high purity)
- Carboniferous Limestone (other)
- Slate
- HSA Dolerite
- Other Igneous Rock resources

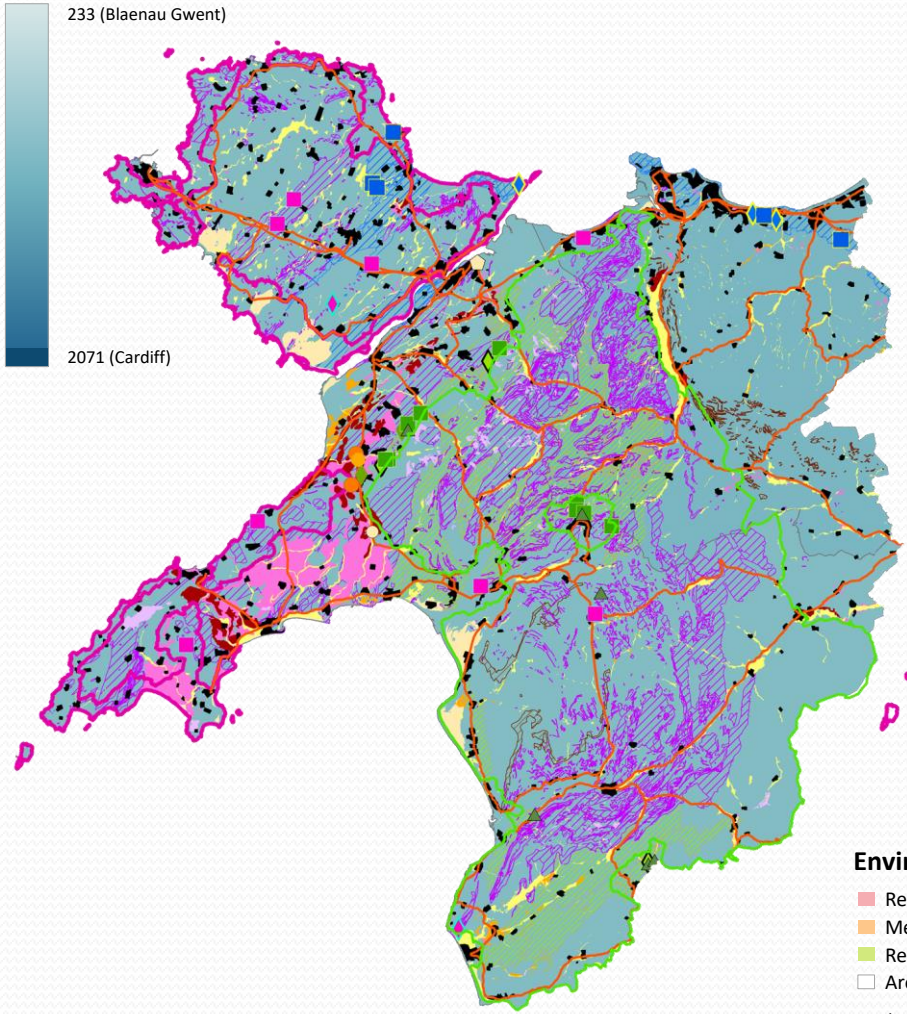
BGS resource mapping

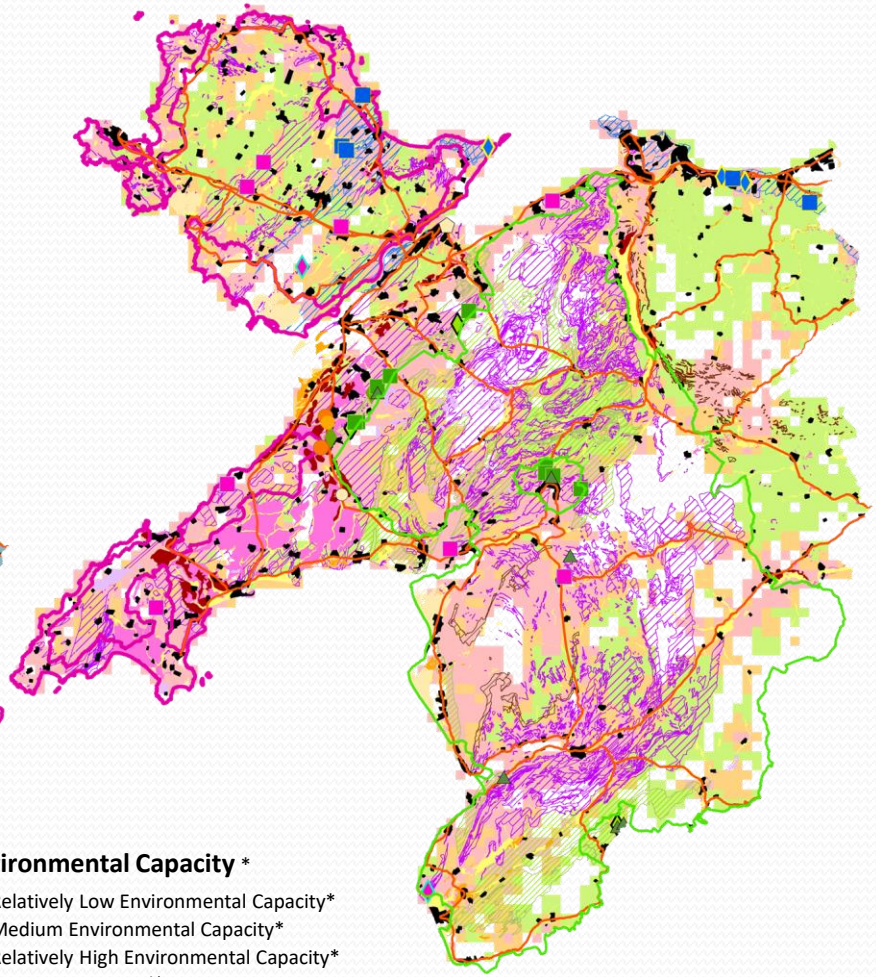
Land-based Sand & Gravel Resources

- Resource blocks identified by WG research
- Sub-alluvial deposits
- River Terrace deposits
- Glaciofluvial deposits
- Other Glacigenic deposits
- Blown Sand deposits

BGS resource mapping

Annualised Housing Requirements in Adopted LDPs (houses per year)





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- Areas not assessed*

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Sub-Regional Apportionments

Local Planning Authority	OPTION A			OPTION B			Preferred Annualised Apportionments (mtpa) [By default = Option A, but modified in some cases (red figures) to allow for Option B or qualitative observations as noted in column to right]	Qualitative Observations
	highest of 10-yr and 3yr Ave. Aggregate Sales (total) (mtpa)	% share of Regional total	Resulting Annualised Apportionments for all Land-Won Primary Aggregates[1] (mtpa)	Annualised Future Housing Requirement from Local Plans	% share of Sub-Regional total	Resulting Annualised Apportionments for all Land-Won Primary Aggregates[2] (mtpa)		
N. WALES TOTAL (from Stage 2)	7.738							
NE Wales Sub-Region	**4.047**	**65.75%**	**5.088**	**1,480**	**100.00%**	**5.088**	**5.088**	**The existing supply pattern here (Option A) provides an appropriate balance between market forces (including substantial exports) and the availability of unconstrained resources.** Flintshire has much higher aggregate sales than Denbighshire, despite similar housing requirements. This reflects local market distortion by exports to NW England. The slight modification shown within the preferred apportionment figures is to make the best use of existing landbanks and thereby reduce future allocation requirements overall. Wrexham supplies only sand & gravel as its limestone resources are largely constrained by the AONB.
Denbighshire	0.329	5.35%	0.414	500	33.78%	1.719	0.860	
Flintshire	3.204	52.06%	4.028	463	31.28%	1.592	3.582	
Wrexham	0.514	8.35%	0.646	517	34.93%	1.777	0.646	
NW Wales Sub-Region	**2.108**	**34.25%**	**2.650**	**969**	**100.00%**	**2.650**	**2.650**	**The existing supply pattern in NW Wales is well balanced with the distribution of planned housing provision and is unaffected by exports.** Option A should therefore be used. Supplies are sourced primarily from outside the National Park and AONBs and are well distributed between the main producing areas of Conwy and Gwynedd, with more limited supplies from Anglesey to local markets.
Conwy + Snowdonia NP	0.955	15.52%	1.201	490	50.57%	1.340	1.201	
Gwynedd	0.898	14.59%	1.129	479	49.43%	1.310	1.129	
Isle of Anglesey	0.255	4.14%	0.321				0.321	

Table 5.2

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Allocations

- Comparison of the total apportionments over 22 years for sand & gravel, or 25 years for crushed rock (or 30 years in Cardiff), with the size of existing landbanks reveals where there are shortfalls of available reserves and thus a need for new allocations

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Allocations – Sand & Gravel

Table 5.4

Local Planning Authority	Overall 'Preferred' Apportionment (S&G & CR)[1] (mt)	Historic proportion supplied from sand & gravel sources[2]	New Annualised Apportionment for sand & gravel[3] (mt)	Total Apportionment Required over 22 years	Existing permitted reserves at end of 2016 in mt[4, 5]	Existing landbank[6] (years)	Surplus or Shortfall (-) of Existing Permitted Reserves (mt)	Minimum Allocation needed to meet Required Provision[7] (mt)	Additional reserves at Dormant sites, 2016[4] (mt)
Denbighshire	0.860	0.00%	0.000	0.000	0.000	n/a	0.000	0.000	0
Flintshire	3.582	6.23%	0.223	4.912	1.369	6.1	-3.543	3.543	0.5
Wrexham	0.646	100.00%	0.646	14.217	12.652	19.6	-1.565	1.565	0
Conwy + Snowdonia NP	1.201	0.00%	0.000	0.000	0.000	n/a	0.000	0.000	0
Gwynedd	1.129	15.44%	0.174	3.834	1.175	6.7	-2.659	2.659	0
Isle of Anglesey	0.321	0.00%	0.000	0.000	0.000	n/a	0.000	0.000	0
Sub-totals, North Wales	**7.738**	**13.40%**	**1.044**	**22.963**	**15.196**		**-7.767**	**7.767**	**0.5**

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Allocations – Crushed Rock

Table 5.6

Local Planning Authority	Overall 'Preferred' Apportionment (S&G & CR)[1] (mt)	Historic proportion supplied from crushed rock sources[2]	New Annualised Apportionment for crushed rock[3] (mt)	Total Apportionment Required over 25 years	Existing permitted reserves at end of 2016 in mt[4, 5]	Existing landbank[6] (years)	Surplus or Shortfall (-) of Existing Permitted Reserves (mt)	Minimum Allocation needed to meet Required Provision[7] (mt)	Additional reserves at Dormant sites, 2016[4] (mt)
Denbighshire	0.860	100.00%	0.860	21.500	21.710	25.2	0.210	0.000	0
Flintshire	3.582	93.77%	3.359	83.968	48.040	14.3	-35.928	35.928	1.41
Wrexham	0.646	0.00%	0.000	0.000	0.000	n/a	0.000	0.000	0
Conwy + Snowdonia NP	1.201	100.00%	1.201	30.016	62.500	52.1	32.484	0.000	0.25
Gwynedd	1.129	84.56%	0.955	23.867	28.540	29.9	4.673	0.000	0
Isle of Anglesey	0.321	100.00%	0.321	8.015	14.400	44.9	6.385	0.000	0
Sub-totals, North Wales	**7.738**	**86.60%**	**6.695**	**167.366**	**175.19**			**35.928**	**1.66**

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- Allocations should ideally take the form of **Specific Sites**, where sufficiently detailed information exists.
- Where that is not possible, they should normally take the form of **Preferred Areas**, within which operators should be encouraged to bring forward more specific proposals.
- As a last resort, where there is no information on the quantity or quality of potential resources, allocations may need to be in the form of **Areas of Search** …. but these would need to give the potential for the release of new reserves which are far greater than the minimum allocation recommended, in order to allow for the uncertainties involved.

Consultation Process

- Consultation with the Steering Group to check and refine technical data and to review each draft of the RTS;
- Consultation with the full RAWPs on the 3rd draft to obtain approval for wider consultation;
- Public consultation over 3 months including publication on RAWP websites and two consultation events;
- Revision of RTS and final Steering Group review;
- Political endorsement by each LPA
- Final endorsement by WG.

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Implementation by LPAs

- The RTS provides strategic recommendations to each LPA regarding the apportionments and allocations which may need to be made in their LDP, to ensure that adequate provision is maintained throughout the relevant Plan Period.
- Paragraph 50 of MTAN 1 specifically requires the relevant parts of the RTS strategy to be incorporated into individual LDPs.
- … however …

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- Where it is justified by new evidence, it is open for individual LPAs to depart from the apportionment and allocation figures recommended by the RTS.
- In doing so, an LPA would need to demonstrate that their intended departure would not undermine the overall strategy provided by the RTS itself (e.g. by working together with other LPAs to ensure that sub-regional and regional totals are still achieved)
- To reinforce that concept, this Review introduces a new requirement for all LPAs within each sub-region to agree a **Sub-Regional Statement of Collaboration**, and for this to be approved by the RAWP, prior to the Examination of any individual LDP within that area.

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- Where the local authorities involved are unable to reach agreement, or if individual local authorities do not accept the Regional Technical Statement, the Welsh Government will consider its default powers to intervene in the planning process, as a last resort (MTAN 1, paragraph A3).