

David Fowles,  
Inquiry Manager,  
Aggregates Market Investigation,  
Competition Commission,  
Victoria House,  
Southampton Row,  
London WC1B 4 AD  
(Sent by email to [aggregates@cc.gsi.gov.uk](mailto:aggregates@cc.gsi.gov.uk))

Dear Mr Fowles,

## **AGGREGATES, CEMENT, AND READY MIX CONCRETE MARKET INVESTIGATION**

I write in respect of the Statement of Issues dated 8 March 2012 and in my capacity as a Cabinet Member of Staffordshire County Council with responsibility for minerals planning.

The subject of investigation is a significant aspect of the Staffordshire economy on the grounds that the county has substantial aggregate mineral resources as well as one of the few cement producing plants in the country. The County Council has an important role as a Mineral Planning Authority with the purpose of achieving a balance between ensuring adequate supplies of minerals and minimising the environmental impacts associated with quarrying.

The Statement highlights the key issues for investigation and in respect of those issues, I request that the Commission considers the following further aspects:

1. In relation to the definition of markets (paragraph 15 of Statement) the County Council supports national policy for sustainable supply of aggregates. In view of reducing the impact of road haulage, local supply is important to sustainable supply but where resources are restricted within the urban areas every encouragement should be given to the supply of aggregate materials from alternative sources such as the aggregates derived from the recycling of construction wastes. Through the Aggregates Levy and taxes associated with landfilling waste, it is accepted that there is encouragement for the use of recycled wastes but the Commission should investigate whether the industry (both material producers and constructors) is fully exploiting opportunities to use recycled waste, particularly in the production of concrete materials. In this matter, the industry should consider previous research by WRAP in respect of where changes to the product range derived from primary sources e.g. crushed rock fines, could also create market opportunities for recycled products.
2. In consideration of costs to the quarrying industry (paragraph 23), the Statement refers to operating and transport costs as barriers to entry. In addition to these costs, the Commission should consider the

influence of costs associated with reinstatement of land following production operations which a Mineral Planning Authority will seek to be assured are taken into account prior to granting any planning permission for quarrying. A key concern is that the liabilities of reclaiming land disturbed by quarrying are effectively covered by those deriving income from the quarrying enterprise.

3. With regard to the high levels of concentration, the Statement indicates that the influence of the Managed Aggregates Supply System will be investigated with particular reference to competition being influenced by “landbanking” dormant permissions (3<sup>rd</sup> bullet point of paragraph 31). In Staffordshire, this is not considered to be a significant issue but given the conclusions of the OfT report, the Commission should further investigate the evidence that was relied upon to suggest “landbanking” may be an issue for the supply of aggregates. Of greater concern, in relation to the operation of the Managed Aggregates Supply System is the determination of local guidelines for the provision of aggregates and the apparent preference of industry to rely on a method of apportionment based solely on past sales trends. This approach to apportioning national/ regional guidelines reinforces past supply trends and does not meet the challenge of achieving sustainable supply and minimising costs to the environment. Staffordshire County Council would seek to plan for the future provision of aggregates on the basis of guidelines taking into account requirements for the capacity to supply that are based on local evidence of need ensuring that the required overall capacity to provide does not override local environmental sensitivities. The Commission should consider, therefore, the mechanisms by which those guidelines are used to resolve sustainable patterns of supply and whether they are appropriate at the local level.
4. The final bullet point of paragraph 47 of the statement refers to the transparency of schemes that are part of planning regulation. In this matter, I understand there is a concern that the provision of information to support the work of Aggregate Working Parties could lead to coordinated behaviours. Contrary to this concern, I have previously contended that if MPAs are to effectively carry out their responsibilities there is a need for greater transparency by publishing national data for all quarrying operations so that remaining quantities of reserves can be assessed as part of identifying the need for additional reserves. Current arrangements with industry relating to the provision of this data including requirements to avoid problems of commercial confidentiality make it difficult to engage with local communities on issues relating to identifying new areas for quarrying.

Yours sincerely,

Cllr Mark Winnington