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Inquiry Manager

Aggregates Market Investigation

Competition Commission

Victoria House, Southampton Row

London WC1B 4AD

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Complaints Commission: Aggregates, Cement & Ready Mix Concrete Market Investigation

Response to Statement of Issues by South East England Aggregates Working Party

Dear Sir/Madam,

1.1 The Aggregates Working Parties were established some years ago by Central Government. SEEAWP, like other AWP's, remains responsible to DCLG. It is a technical group with the role of advising government, mineral planning authorities and industry on aggregates. Its membership is drawn from officers of the mineral planning authorities stretching from Oxfordshire to Kent, the minerals industry through representatives of the Mineral Products Association and the British Aggregates Association, and government representatives from DCLG. The Port of London Authority, The Crown Estate, the East England AWP and the Greater London Authority also each send a representative.

1.2 SEEAWP undertakes a monitoring survey of sales and reserves each year and has initiated studies that individual local authorities could not undertake alone, such as on threats to SE wharves and their capacity to increase throughput, and the reasons for the decline in aggregate reserves in the region (which led to national research).

1.3 SEEAWP has previously responded to the Office of Fair Trading report in a letter dated 29 September 2011 as attached. SEEAWP notes that the Commission's Statement of Issues does not directly refer to Area Working Parties or imply any criticism of them. However, it is noted that a number of issues reflect those raised by OFT, including: cost and difficulty of obtaining a planning permission, the operation of landbanks, and the use or non-use of reserves via such methods as 'mothballing' sites. In respect of these SEEAWP repeats the response it made to OFT, but also draws attention to the support for the role of landbanks in the recently published National Planning Policy Framework (NPPF) which says that Mineral Planning Authorities:

- should use landbanks of aggregate minerals reserves principally as an indicator of the security of aggregate minerals supply, and indicate the additional provision that needs to be made for new aggregate extraction and alternative supplies in minerals plans
- make provision for separate landbanks for materials of a specific type or quality that serve a distinct and separate market, and
- ensure that large landbanks bound up in a very few sites do not stifle competition.

SEEAWP welcomes this confirmation of the role of landbanks.

1.4 The Commission also refers to the possible influences of the Managed Aggregates Supply System (MASS), and whether any aspects of the planning regime or policy development provide a degree of transparency that facilitates co-ordinated behaviour that could be harmful to competition. The September 2011 response to OFT by SEEAWP remains appropriate, but the attention of the Commission is also drawn to the NPPF. In this:

- the duty for local authorities to cooperate on planning issues that cross administrative boundaries is emphasised, particularly for strategic priorities - which includes minerals. This is not restricted to neighbouring or other authorities, but also includes collaborative work with other bodies to ensure that strategic priorities across local boundaries are properly coordinated.
- when submitting a local plan, in order for it to be 'sound', the authority will need to demonstrate that it is based on effective joint working on cross boundary strategic priorities.
- Aggregate Working Parties are to assist in this process: mineral planning authorities are to participate in AWP's; and AWP's are to advise on Local Aggregate Assessments.
- National and Sub-National Guidelines will be published, to be used as a guideline for future demand and supply.

1.5 SEEAWP believes that participating in an AWP and having regard to its advice will be a major step in a mineral authority fulfilling the 'duty to cooperate' set out in the Localism Act and reflected in the NPPF. Moreover, cooperation across regional boundaries is particularly important to SEEAWP as the region contains limited hard rock resources. The south east depends upon hard rock imports from elsewhere in the country in order to maintain a steady and adequate supply of aggregates.

1.6 SEEAWP asks the Commission to take these views into account when undertaking its investigation.

Yours faithfully,

John Kilford

Chairman SEEAWP