

MINUTES

East of England Aggregates Working Party

Meeting on 4 June 2020 starting at 1400

Venue: Virtual meeting via Microsoft Teams

ATTENDEES

Members	
Richard Greaves (RG)	Essex County Council (Chairman)
Phil Dash (PD)	Essex County Council
Emma Fitch (EF)	Cambridgeshire County Council
Emma Chapman (EC)	Hertfordshire County Council
Graham Gunby (GG)	Suffolk County Council
Chris Stanek (CS)	Peterborough City Council
Richard Drake (RD)	Norfolk County Council
Roy Romans (RR)	Bedfordshire Authorities
Mark North (MN)	MPA
Alan Everard (AE)	Tarmac / MPA
Georgie Sutton (GS)	Marine Management Organisation
Shaun Denny (SD)	Cemex / MPA
Peter Huxtable (PH)	BAA
Nick Everington (NE)	The Crown Estate
Lonek Wojtulewicz (LW)	MHCLG
Others	
Jerry Smith (JS)	EEAWP Secretariat
Dee Walker (DW)	EEAWP Secretariat
Apologies	
Adrian Smith	Southend Borough Council
Caroline Jeffery	Norfolk County Council
Kirsten Hannaford-Hill	Aggregate Industries / MPA
Simon Smith	Longwater Gravel
Mark Page	Hansons
Peter Lemon	Middags

Item No	Subject	Owner
1	Welcome, Introductions & Apologies	RG / JS
	<p>RG welcomed everyone to this first virtual group meeting via Microsoft Teams. RG suggested and it was agreed that when members want to speak, they should indicate by the 'raise hand' function to avoid everyone speaking all at once. It was also advisable for members to remain on 'mute' until such time they wish to speak.</p> <p>RG provided introductions for the benefit of new and guest attendees. SD advised that he remains under Cemex until the sale to Breedon completes later this summer. He advised that the new company is expected to be called 'Pinnacle Construction Materials'.</p> <p>Apologies are as set out on previous sheet. It was noted that Kirsten Hannaford-Hill has been furloughed.</p> <p>With the agreement of the Group RG amended the order of the agenda items to suit the availability of external speakers.</p>	
2	Minutes of the last meeting & Matters arising	RG / JS
	<p>RG invited JS to give an update on the review of the EEAWPs Terms of Reference (ToR) following the last meeting. JS had reviewed the ToR of some other AWP's which appeared to broadly align with the current EEAWP's current version no doubt derived from the national template. He had made various 'light touch' amendments generally to update organisations and names of members. The main issue was the AWP's role within the duty to cooperate and the voting rights and mechanism mainly when dealing with 'Statements of Common Ground'. MN had provided some wording from SEEAWP's ToR on this which listed MPAs by name but allowed the industry to opt out and similar wording could be incorporated. JS also suggested reviewing the chairmanship appointment term. This is currently 12 months but that would only cover 3 meetings and perhaps this needs to be a longer period.</p> <p>JS was aware that MHCLG wishes to review the issue of AWP operation and asked whether there had been any progress on this. LW advised that this is still the intention but because of the recent COVID-19 pandemic, MHCLG has been unable to invest the time required to review the secretariat contracts or ToR reviews in any depth. Therefore, LW would welcome a view of the draft revised ToR. He advised that this is a matter that other AWP's were looking at too.</p> <p>Agreed JS will circulate the draft ToR with track changes to the group members & LW.</p> <p>EF queried if JS had an update on the Environment Agency's Great Ouse Flood Storage & Flow Conveyance Study' stakeholders' group, JS advised he will cover that later in the meeting.</p> <p>CS queried whether the Annual Mineral Planning Survey, referred to under Item 5, had been circulated which JS confirmed it had.</p> <p>Minutes of the previous meeting were accepted as a true and accurate record.</p>	JS
3	National Planning Issues	LW/ RG/ JS
	LW gave the following update:	LW

MHCLG UPDATE

COVID-19 pandemic resulted in a number of the departments staff being redeployed to support other key services, but they are slowly starting to return to the dept. Work continues on what planning changes are required to deal with the crisis.

Local Planning Authorities: virtual planning committees are happening and will need to continue for the near future. Calls continue for planning consent timescales to be extended as like in Scotland - this would require new legislation in England and is being considered. The Secretary of State is keen to get things moving forward with planning playing its part in recovery and growth. The Planning White Paper is due later in the year which will consider planning reforms.

Annual Monitoring Survey 2019: work is continuing with BGS. More work has been needed as this year the collation of data is digital based and BGS are further testing the systems to ensure the right output can be achieved to enable them to produce the report. Work is ongoing in the background but delayed for a combination of technical reasons along with industry being significantly furloughed. Timing – further comms due out towards the end of June 2020 but no point issuing the survey until industry is able to respond. Some basic data may be available prior to the published format to support forward planning, but further comms will be released regarding this in due course.

Secretariat Contracts: these have been extended until end of September 2020. In the light of the Covid-19 and budget situation active consideration is being given as to how best address renewing contracts.

JS asked for clarification that if only an update was due at the end of June 2020 the survey won't be ready to go out within the same time period? LW advised that there are 2 digital platforms – Survey Monkey for industry and Delta for MPAs. Whilst BGS continue to work on the survey it was fairly reasonable to assume it wouldn't be issued by the end of June, but LW was hopeful it would be out this summer.

AE advised that due to office staff being furloughed at Tarmac, it is unlikely they would be able to response to the survey until July, so no rush from their perspective.

RR mentioned that the Bedfordshire Authorities has sent out a local survey following the AWP meeting and they only had a couple of replies pending.

SD advised that nobody at Cemex had been furloughed.

PH advised that BAA members would be in a position to respond, and Breedon are saying the same thing.

RG anticipated that MPAs can report at the next AWP meeting.

LW acknowledged that some companies may need more information than others and MHCLG would be happy to assist as best it can.

RR raised that we are talking about the survey for 2019 but when it comes to next year when we are looking at the survey for 2020, this will show the severity that has affected the industry with sales at a low rate. As such what affect will this have on the 10-yr and 3-yr average? LW confirmed that logic will dictate as 2020 is clearly not a typical year.

	<p>RD suggested that the impact on supply and sales will need to be reflected under ‘other relevant information’ as part of the 10-yr and 3-yr averages.</p> <p>SD advised that at Cemex they have not seen any dramatic changes to their sales. The impact is very variable, but this may change in coming months.</p> <p>Following item 4, RG & JS resumed with this item: GENERAL PLANNING</p> <p>RG suggested that because of Covid-19, the streamlining of the planning system has stalled. The White Paper provides an opportunity to get the economy moving again and RG referred to the simplifying of the planning system which could see a greater move towards zoned planning areas in Local Plans.</p> <p>AE stated that they had received support from LPA’s, but the problem always lies with the EA because, for example in connection with Dewatering requirements, they have unknown timescales / obligations – perhaps they need to streamline the EA.</p> <p>RG advised that he had been made aware that EA officers have not been out on site since earlier in the year and this was impacting upon monitoring and enforcement officers at MPAs. RR echoed this concern, noting the EA is reluctant to get involved with any problems on site (mainly waste sites) and people use that as a reason why they should get away with what they are doing.</p> <p>MN considered that the performance of the EA during the crisis had been particularly poor and felt it is not performing at all. MN suggested this could be a lack of control at both regional and national level. The MPA has made its views clear to MHCLG.</p> <p>GREAT OUSE FLOOD STORAGE & FLOW CONVEYANCE STUDY</p> <p>JS advised that he had contacted Jenny Gough (EA Project Manager) who confirmed that the study was still going ahead but the finalisation of the Inception Report had been delayed due to Covid-19. Once the study is published it will have the January 2020 workshop outcomes appended to it and this would be shared with stakeholders and AWP’s. In the meantime, the project team has been looking at procurement routes for the main study. Jenny confirmed that stakeholders will be contacted in due course for the details of the inaugural meeting for the main study and she welcomed EF & MN to be the AWP’s representatives as part of the advisory element of the main study.</p>	
4	<p>Presentation: Crown Estate’s responsibilities for marine aggregate licensing</p>	NE
	<p>RG introduced NE (Portfolio Manager, Marine Minerals) who gave a PowerPoint presentation on The Crown Estate’s remit for marine aggregate licensing, <i>(a copy of which is to be circulated with the Draft Minutes)</i>.</p> <p>Following the presentation, questions were taken:</p> <ul style="list-style-type: none"> • RG asked whether NE saw marine aggregates as going from strength to strength? NE felt that the future contribution of marine aggregates was underpinned by an extensive and large resource base, a robust statutory consenting regime, and a good record in respect of environmental performance, so hoped that could continue to be the case. • RG asked whether the Crown Estate gets involved in safeguarding wharf sites. NE advised that whilst it has some portside ownership and feedback on development plan consultations, although most assets fall outside of their control. Within the Thames 	JS

	<p>estuary, much of the seabed in the River falls under the Port of London which therefore adopts a stronger role.</p> <ul style="list-style-type: none"> • GG asked who gets precedence over the seabed, mainly offshore wind farms? NE advised that whilst there is the potential for conflict, TCE seeks to optimise the use of the seabed across the range of activities and interests that it represents. When a wind farm is decommissioned, they ensure that the developer does not sterilise the seabed for other activities, including potential marine aggregate extraction. • MN commented that The Crown Estate – and the MMO – had proved good landlords and the ability to extend 15-year licences with an option to renew for up to a further 15 years had given the industry the confidence to make the necessary investment. 	
5	East of England AWP Survey 2019 Update	All
	<p>RR advised that the Bedfordshire Authorities had sent out their local survey request & was only waiting for 2 replies, which were pending due to furloughing. These surveys will provide indicative data before the national survey outcome. JS added that discussions with counterparts at other MPAs suggested they were in a similar position which RG confirmed to be the case at Essex CC.</p> <p>RG asked whether it was worth individual authorities contacting MN for him to give the outstanding companies a nudge, MN advised that still substantial numbers of staff were furloughed and he would have the same response but would be happy to help if there are any particular problems.</p>	
6	MPA Update	MN
	<p>MN referred to the following economic & market outlook update, which had also been circulated to the Group prior to the meeting:</p> <ul style="list-style-type: none"> • MACROECONOMIC UPDATE. The UK economy contracted by 2% in 2020Q1 compared to the previous quarter as social distancing and lockdown measures severely disrupted economic activity. A more significant impact on the UK economy is likely to have fed through in April and May, with business surveys available so far indicating historically low levels of activity, whilst household spending also fell sharply. According to the Bank of England, the pandemic will result in a sharp but largely temporary economic shock, with UK GDP expected to contract by 14% in 2020 as a whole, before recovering in 2021. • CONSTRUCTION & KEY MARKETS UPDATE. ONS data shows that output in the construction sector fell 2.6% in 2020Q1 compared to the previous quarter, following widespread site closures and reduced activity on sites. The Construction Products Association outlines a scenario where the effects of the pandemic begin to dissipate in May, with restrictions easing gradually from June. In this scenario, the CPA estimates construction output will fall by 24.9% this year, before rebounding significantly in 2021. • MPA MARKET FORECAST UPDATE. Mineral products markets have been severely disrupted as a result of the pandemic. Measures introduced by Government to reduce the spread of the virus resulted in a reduction in operations and a closure of construction sites across the UK. As a result, mineral products markets including aggregates, asphalt, ready-mixed concrete (RMC) and mortar in 2020 are expected to be markedly weaker due to the disruption to the UK economy and construction caused by COVID-19. Growth is expected to return from 2021 as the industry adjusts to updated working guidelines, while work on major infrastructure projects accelerate. 	

	<p>MN advised that the industry was slowly coming back but still substantial numbers at home. There is current demand but that could be what was left behind before the lockdown, so it's not likely to be until September 2020 before we know the real impact. The construction market is expected to drop some 30% by the end of the year and, whilst recovery of 25% is anticipated in 2021, that will still mean the sector is losing ground. The CBI appears bullish about an economic bounce-back but the MPA is less confident. In general, between 50-80% of staff have been furloughed amongst the major operators but they are returning. The issue of social distancing will cause problems within the supply chain overall and the MPA has written to the MHCLG to raise concerns with longer working hours as many LPAs are being cautious at agreeing to them. Even where permitted, longer working hours won't help if sites can't be supplied.</p> <p>PH reported more positive signs with some companies not noticing an impact from the lockdown. However, cash deliveries have disappeared, and it has largely been weighbridge staff that have been furloughed, but on the whole the BAA was taking a slightly rosier outlook. Construction will be hampered by the 2m rule as productivity will be slower and costs will rise. HS2 project has been busy, as have 'A' road projects with the opportunity to supply them from local sites. However, this is very regional. Some BAA members in the East of England did shut down earlier so they opened up after 2 weeks. It is suggested that recovery will take us beyond the end of 2020 and the thinking is that rather than a V shaped recovery, it will be more 'U' or tick-shaped.</p> <p>SD advised that Cemex had furloughed hardly any staff and everyone was still working within the planning / estates dept. Some smaller, peripheral sites had closed, and other sites have either been very quiet or rushed off their feet. They are still getting plenty of demand, but this could be outstanding orders. Some staff were now returning.</p> <p>SD also advised that last January Cemex sold a significant proportion of business to Breedon including all its Norfolk / Suffolk assets although the marine business is not being sold. The new company is likely to trade under the name 'Pinnacle Construction Materials'. The delay has been caused by the impact of Covid-19 and other factors.</p>	
7	Minerals Local Plan Update	MPAs / ALL
	<p>An update was circulated prior to the meeting using the agreed template and was noted.</p> <p>CS advised that the Cambridgeshire County Council and Peterborough City Council plan hearings are planned for 15 and 16 September 2020 and PINS have asked if they can be held virtually if necessary.</p> <p>EF further advised that there had been little challenge to the mineral sites with the key issue relating to industrial minerals. EF asked what the MPA's general thoughts on industrial mineral / clunch were which EF viewed as only a secondary product. The broad response was it was of no interest and MN suggested she contact Mark Kelly (Cemex). EF clarified that Historic England (HE) had raised concerns with it despite no-one coming forward, but they were trying to get a Statement of Common Ground on the matter for the Inspector. MN advised that as, with dimension stone, as long as the resource is being safeguarded, the Inspector should be relaxed.</p>	

	AE confirmed this was not a market Tarmac is looking to get involved in. SD commented that the clunch just happened to be at the Barrington site – it was not its initial purpose which confirmed EF’s thoughts.	
8	Any Other Business	ALL
	<p>SECRETARIAT CONTRACT</p> <p>RG advised that he was not optimistic that there would be someone covering the post when the existing contract ends at the end of September 2020. He therefore suggested that the next AWP meeting be held mid-September so that a discussion can take place ahead of the usual October date if no contract is in place with MHCLG and / or CBC cannot continue.</p> <p>JS advised that he had been under the impression that a further extension could not be granted as it had already been extended twice but MHCLG has now extended it again by a further 6 months, so possibly MHCLG has scope for a further 6 month extension given the timescales for the formal tender process. RG explained that various approaches to former contacts in Minerals planning had not proved fruitful. RR reported that he had discussed the matter with a further contact who initially expressed concern as to the workload this may impose. RR had since gone back to explain that workloads over the short term would not be particularly onerous given BGS would be producing the national AMS report, but had yet to receive a response.</p> <p>EF asked if they knew if LW was to be retained in post as his contract was only until the end of 2020, no one had heard anything.</p> <p>RG advised that with a September AWP meeting, there is a question as to how advanced LAAs would be by that stage but agreed it would be worth discussing.</p> <p>EC asked if any MPA had updated their SCI as a recent PPG update included that SCI’s should be updated to reflect guidance on the Covid-19 crisis and any impact it has had. RG advised that Essex CC has put a caveat on their SCI along the lines of ‘<i>unless Government guidance advises otherwise</i>’ to deal with the matter.</p> <p>RR commented that this is really making more work for everyone and it shouldn’t be. He argued that MPAs need to avoid catching up with a situation to find it changing. He took the view that MPAs should strive to do what they normally do and avoid making lots more work for all.</p>	
9	Dates of Next Meetings	RG
	<p>The date for the next meeting was confirmed as: FRIDAY 18 September 2020 at 1400hrs Venue: Virtual meeting via Microsoft Teams Further dates will be agreed at the next meeting.</p>	ALL TO NOTE