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Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr

Bridgend County Borough Council



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*Rydym yn croesawu gohebiaeth yn Gymraeg.
Rhowch wybod i ni os mai Cymraeg yw eich
dewis iaith.*

*We welcome correspondence in Welsh. Please
let us know if your language choice is Welsh.*



Cyfarwyddiaeth y Prif Weithredwr / Chief Executive's Directorate

Deialu uniongyrchol / Direct line /: 01656 643148 / 643147 / 643694

Gofynnwch am / Ask for: Democratic Services

Ein cyf / Our ref:

Eich cyf / Your ref:

Dyddiad/Date: Thursday, 12 November 2020

Dear Councillor,

COUNCIL

A meeting of the Council will be held Remotely via Skype on **Wednesday, 18 November 2020** at **15:00**.

AGENDA

1. Apologies for absence
To receive apologies for absence from Members.
2. Declarations of Interest
To receive declarations of personal and prejudicial interest from Members/Officers in accordance with the Members' Code of Conduct adopted by Council from 1 September 2008.
3. Approval of Minutes 3 - 40
To receive for approval the minutes of 30/09/2020 and 21/10/2020
4. To receive announcements from the Mayor
5. To receive announcements from the Leader
6. Presentation by the Police and Crime Commissioner and the Chief Constable of South Wales Police and Programme of future Presentations to Council 41 - 42
7. Endorsement of Regional Technical Statement 2020 43 - 202
8. Treasury Management - Half Year Report 2020-21 203 - 248
9. 2021-22 Council Tax Base 249 - 254
10. To receive the following Question from:
Councillor Altaf Hussain to the Cabinet Member Education and Regeneration:

GDPR tells us that each school should have email account for Governors. As a school Governor, the personal data you send over email must be kept secure. Governors should be

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doing everything in their power to prevent a breach of personal data. This means the use of secure school email accounts by all Governors. And, all Governors should be provided with school email address and the technology to enable them to access their school email address securely when using personal devices.

Could the Cabinet Member let us know if this has been uniformly achieved in our County Borough and if not when is it going to happen?

11. Urgent Items

To consider any item(s) of business in respect of which notice has been given in accordance with Part 4 (paragraph 4) of the Council Procedure Rules and which the person presiding at the meeting is of the opinion should by reason of special circumstances be transacted at the meeting as a matter of urgency.

Note: Please note: Due to the current requirement for social distancing this meeting will not be held at its usual location. This will be a virtual meeting and Members and Officers will be attending remotely. The meeting will be recorded for subsequent transmission via the Council's internet site which will be available as soon as practicable after the meeting. If you have any queries regarding this, please contact cabinet_committee@bridgend.gov.uk or tel. 01656 643147 / 643148.

Yours faithfully

K Watson

Chief Officer, Legal, HR & Regulatory Services

Councillors:

S Aspey
SE Baldwin
TH Beedle
JPD Blundell
NA Burnett
MC Clarke
N Clarke
RJ Collins
HJ David
P Davies
PA Davies
SK Dendy
DK Edwards
J Gebbie
T Giffard
RM Granville
CA Green
DG Howells

Councillors

A Hussain
RM James
B Jones
M Jones
MJ Kearns
DRW Lewis
JE Lewis
JR McCarthy
D Patel
RL Penhale-Thomas
AA Pucella
JC Radcliffe
KL Rowlands
B Sedgebeer
RMI Shaw
CE Smith
SG Smith
JC Spanswick

Councillors

RME Stirman
G Thomas
T Thomas
JH Tildesley MBE
E Venables
SR Vidal
MC Voisey
LM Walters
KJ Watts
CA Webster
DBF White
PJ White
A Williams
AJ Williams
HM Williams
JE Williams
RE Young

COUNCIL - WEDNESDAY, 30 SEPTEMBER 2020

MINUTES OF A MEETING OF THE COUNCIL HELD IN REMOTELY VIA SKYPE ON WEDNESDAY, 30 SEPTEMBER 2020 AT 15:00

Present

Councillor SE Baldwin – Chairperson

S Aspey	TH Beedle	JPD Blundell	NA Burnett
MC Clarke	N Clarke	RJ Collins	HJ David
P Davies	PA Davies	SK Dendy	DK Edwards
J Gebbie	T Giffard	RM Granville	CA Green
DG Howells	A Hussain	RM James	B Jones
M Jones	MJ Kearn	DRW Lewis	JE Lewis
JR McCarthy	D Patel	RL Penhale-Thomas	AA Pucella
JC Radcliffe	KL Rowlands	B Sedgebeer	RMI Shaw
CE Smith	SG Smith	JC Spanswick	RME Stirman
G Thomas	T Thomas	JH Tildesley MBE	E Venables
SR Vidal	MC Voisey	LM Walters	KJ Watts
CA Webster	DBF White	PJ White	A Williams
AJ Williams	HM Williams	JE Williams	RE Young

Officers:

Julie Ellams	Democratic Services Officer - Committees
Mark Galvin	Senior Democratic Services Officer - Committees
Lindsay Harvey	Corporate Director Education and Family Support
Gill Lewis	Interim Chief Officer – Finance, Performance and Change
Claire Marchant	Corporate Director Social Services and Wellbeing
Janine Nightingale	Corporate Director - Communities
Michael Pitman	Democratic Services Officer - Committees
Andrew Rees	Democratic Services Manager
Mark Shephard	Chief Executive
Kelly Watson	Chief Officer Legal, HR and Regulatory Services

439. DECLARATIONS OF INTEREST

None.

440. TO RECEIVE ANNOUNCEMENTS FROM THE MAYOR COUNCILLOR SE BALDWIN

The Mayor before making his announcements, advised Council that at the last ordinary Council, he made a point indicating that a Conservative Councillor had made an incorrect statement. The Mayor advised that he was wrong to indicate that Member to be a Conservative Member, when it could have in fact, been any Councillor in attendance at the meeting.

The Mayor's announcement was as follows:-

"I would like to say that it has been an absolute pleasure to serve as the Mayor of Bridgend County Borough Council for 2019/2020. I may not have got everything right throughout my term but everyone makes mistakes. Well at least I know I do and I'm not afraid to admit to them and learn from them. The year has not gone as planned, as I am sure you are all aware of with the restrictions imposed on us as part of the Covid19

pandemic and the reason that I have become the longest serving Mayor of Bridgend CBC.

I would have liked to do more fundraising events but unfortunately, time and pandemic have not allowed that. Back in November 2019 I organised very successful afternoon event called 'Music with the Mayor' at the Court Colman Manor. At the event guests were treated to bottomless Prosecco and canapés for the first hour and a half. Guests were also treated to a musical extravaganza of local musical artists and internationally renowned drag artist 'Pixie Perez'. A special thank you to all artists who gave their time free of charge and to the owners of the Court Colman Manor for allowing us to use their venue free of charge. Without the support of my very good friend Ryan Phillips I would never have been able to pull the whole event together. He worked tirelessly for months to make sure that the event was a success. Also a thank you to everyone that donated raffle prizes and for those councillors that attended the event.

As Bridgend CBC first openly gay Mayor it was important to me to choose a charity that was close to my heart. I champion equalities and diversity throughout my life not just as a Councillor. My chosen charity was Pride Cymru and I have had great pleasure informing them that we will be transferring £4954.54 to them to support the fantastic work they do.

Throughout my year, I have encouraged Councillors to donate provisions to Bridgend Food Bank at our monthly full council meetings. I would like to thank all those that have donated in helping Bridgend Food Bank feed those in society that experience such extreme food poverty. I was particularly impressed by the imagination of those Councillors that put together their reverse advent hampers. The Food Bank were extremely grateful for all we did for them.

As well as attending many events, I set myself the task of improving the way that this Council supported the role of the Mayor. During my year, I am pleased to say that we introduced a new online giving platform as part of the Council's website. Definitely a step in the right direction.

I want to thank all the staff at Bridgend CBC, in particular all of Democratic Services for putting up with me when I ask why or why not. Most of all my thanks to Roger for coordinating all of my Mayoral visits and events and driving me to make sure I got there on time.

The life of a Mayor can be very demanding and lonely and I would not have managed had it not been for my fabulous consort Cllr Nicole Burnett. I am sorry I never bought you all the shoes, dresses and handbags you thought you were entitled to.

Last of all I want to wish the new Mayor and Consort all the best for their term and I hope you enjoy it as much as I have".

441. TO ELECT THE MAYOR FOR THE PERIOD TO MAY 2021 IN ACCORDANCE WITH SECTION 23(1) OF THE LOCAL GOVERNMENT ACT 1972.

RESOLVED: That Councillor K Watts be elected as Mayor for the remainder of the ensuing year, to May 2021.

442. TO ANNOUNCE THE MAYOR'S CONSORT

Councillor Watts announced that his Consort would be Councillor J Williams.

443. TO APPOINT THE DEPUTY MAYOR FOR THE PERIOD TO MAY 2021 IN ACCORDANCE WITH SECTION 24(1) OF THE LOCAL GOVERNMENT ACT 1972.

There were two nominations for Deputy Mayor for the remainder of the ensuing year, to May 2021, as follows:-

Councillor JC Spanswick
Councillor A Hussain

A vote was therefore conducted, in order to make an appointment to the position of Deputy Mayor, the result of which was as follows:-

Councillor JC Spanswick

Councillor A Hussain

34 votes

17 votes

There were 2 abstentions

RESOLVED: That Councillor JC Spanswick be appointed as Deputy Mayor for the ensuing year.

444. TO ANNOUNCE THE DEPUTY MAYOR'S CONSORT

Councillor Spanswick announced that his consort would be Mrs S Spanswick.

445. TO ANNOUNCE THE YOUTH MAYOR OF THE COUNTY BOROUGH OF BRIDGEND

RESOLVED: That Megan Stone, Coleg Cymunedol Y Dderwen School, be announced as Youth Mayor of the County Borough for the ensuing year. (to May 2021).

446. TO ANNOUNCE THE DEPUTY YOUTH MAYOR OF THE COUNTY BOROUGH OF BRIDGEND.

RESOLVED: That Tino Kaseke, Archbishop McGrath School, be announced as Youth Mayor of the County Borough for the ensuing year, to May 2021.

447. TO ELECT THE LEADER OF BRIDGEND COUNTY BOROUGH COUNCIL

RESOLVED: It was moved, duly seconded and carried by way of assent, that Councillor HJ David be elected as Leader of the Bridgend County Borough Council for the ensuing year, to May 2021.

448. TO RECEIVE THE REPORT OF THE LEADER

The Leader gave his report as follows:-

"I'd like to begin by congratulating Ken and Julia, John and Susan I know they will be outstanding representatives and ambassadors for the County Borough, my thanks to thanking colleagues for returning me as Leader of Bridgend County Borough Council.

My public congratulations to Megan and Tino also.

This is an extraordinary privilege and responsibility to be Leader, and I pledge to once more give the role my full attention and focus, and to always do my very best for all the people and all the communities we serve.

In 2019, when I last addressed the annual meeting of Council, I talked about how we were continuing to experience some of the most difficult and challenging times that local government has ever faced.

Then, I was referring to austerity, and the profound impact of having to cut £60 million from core council budgets over the space of ten years.

Who could have predicted that within just a few months, this scenario, which continues to be the case, would be further compounded by the global outbreak of the Covid-19 coronavirus?

We are all very aware of how this council has once again risen to meet this newest and greatest challenge.

The response from the staff of Bridgend County Borough Council has been absolutely remarkable.

They have adapted, innovated and persevered under the most difficult of circumstances, and have ensured that this authority has been able to continue to deliver essential services to the people of the county borough.

I am certain that members from all parties will want to join me in recognising their efforts, and in offering council staff our sincere gratitude and respect.

Secondly, the pandemic has brought together a wide range of organisations and agencies who have worked together to achieve a common aim across our schools and communities.

This has included such achievements as setting up six emergency childcare hubs overnight, making sure that more than five-thousand children did not go hungry, turning a council depot into a temporary ambulance station within a few days, setting up Abergarw Manor as a temporary step-down facility for people leaving hospital, and providing 2,300 businesses with more than £28 million in much-needed financial support.

We have worked alongside the brilliant BAVO and amazing community groups to support thousands of vulnerable people who were shielding, and set up a viable, locally-managed track, trace and protect system in just two weeks.

As challenging, as hard, and in many cases as tragic as the pandemic has been, it has brought out the very best in people, and it is this aspect, above all, which has served as an inspirational reminder of why we are here.

Of course, we have also faced the biggest blow of losing the Ford Engine Plant the loss of 1,700 jobs and the loss of more than £250 million per year from the local economy.

I previously told the Welsh Affairs Select Committee at the House of Commons that urgent investment and rapid action is vital to protect the county borough's communities and local economy, and this remains the case.

We have worked alongside taskforce partners such as Welsh Government and the Cardiff Capital Region City Deal to offer support to all affected workers and to see what fresh investment can be brought into the area, and we are continuing to do so.

It is encouraging to see that most of the Ford workers have taken advantage of opportunities for retraining and developing new skills, and that more than 360 of them have found new employment while a further 230 have opted to retire.

However, the fact remains that for more than four decades, Ford was an anchor company and one of the powerhouses of the local economy.

This is why it is more important than ever to maximise the future opportunities posed by the City Deal, and for UK Government and Welsh Government to work tirelessly alongside us to bring in new investment, businesses and jobs.

This is of course in addition to supporting those that are already here, and ensuring that opportunities remain available for our future generations.

In this respect, this council remains firmly focused upon generating future growth and prosperity, and we invite all businesses to come and see what the area has to offer.

Despite the impact of the pandemic and the closure of the Ford Engine Plant, this council has also delivered a number of services and facilities that we should feel rightly proud of.

As part of our modernisation programme of services for older people, and in partnership with Linc Cymru, we have opened two new extra care facilities at Ty Ynysawdre and Ty Llwynderw in Maesteg.

You only have to visit these facilities to see their worth and the positive change that they are making in the lives of older residents.

Ensuring that people can live independently with their partners, in their own apartments, where they can receive the support they need, lies at the heart of our vision for the future of social care and housing across the county borough.

When issues arose around the Ty Cwm Ogwr residential care home in Lewistown, this council took swift and decisive action to ensure that the home remained open, and residents could continue to benefit from high quality care.

Similarly, we have built upon the success of re-modelling our children's homes in Bridgend and Porthcawl to progress new plans for a children's residential facility on the former site of the Brynmenyn School.

This is a key initiative as it will enable us to bring some of our most vulnerable 'out of county' children home within an in-house setting.

We have also continued to deliver significant developments in education.

Band A of our flagship 21st Century School Modernisation Programme has already provided state of the art new facilities in areas such as Pencoed, Bettws, Coety and Brynmenyn.

Now we have confirmed our commitment towards Band B of the initiative, and are set to build upon this success by investing more than £68 million into further improvements.

This includes exciting plans for English and Welsh medium provision in the west of the Borough Cornelly, developing a new special replacement school for children with complex needs, and much more.

The council also continues to be one of the leading authorities in Wales when it comes to areas such as recycling waste and diverting it away from landfill.

While our plastic recycling rates have been independently deemed the best in the country and the second-highest in the UK, we remain ambitious, and have plans in place for providing a new, modern household recycling centre at Pyle which will replace the ageing facility at Tythegston.

Elsewhere, we are also delivering on pioneering proposals for slashing carbon emissions, and with the UK's first ever large-scale minewater scheme at Caerau and a district heat network in Bridgend town centre all making headway, it is easy to see how the county borough is considered to be at the forefront heart of the UK's future energy revolution programme.

Whether it is projects such as these, delivering multi-million pound investments in cycling and walking routes or establishing energy efficient new buildings, our commitment towards reducing the county borough's carbon footprint is resulting in real action, as evidenced by our £3 million project to provide new walking and cycling routes in Pencoed and Bridgend.

We have committed to a record investment of more than £5 million into re-surfacing carriageways and footways across Bridgend County Borough, and have ring-fenced another £2 million for further public realm improvements.

The council continues to invest in our green spaces, and secured £400,000 through the Valleys Taskforce for investment in the Parc Slip Nature Reserve. We also secured additional investment of £500,000 for Bryngarw Country Park so that conservation work can be carried out along with a community orchard, tree planting, a wildlife garden, a rain garden, new ponds, new educational buildings, and more.

This council has long maintained a commitment to promoting the Welsh language, and we are delivering on this by developing four new Welsh medium childcare centres in Bridgend, Porthcawl and the Ogmore and Garw valleys.

These will enable more families to take advantage of free childcare for working parents.

Our plans for the first centre, which will be established at Blackmill, are already underway.

Childcare is, of course, vital to ensuring that people can work and access training.

On that note, our employability programme has been recognised as the most successful in South Wales, and is continuing to help hundreds of people who are jobless or facing unemployment.

The Cardiff Capital Region City Deal is playing its part in this with a programme for graduate placements which is benefitting local students and firms.

The council is also embracing the programme, and is currently completing the latest round of recruiting new apprentices across a wide number of business areas.

Our regeneration projects are continuing to make progress, with further exciting developments at Porthcawl as we look towards Salt Lake, and the multi-million pound investment in renewed coastal defences and the Eastern Promenade.

Regeneration is also progressing in Maesteg, where work is underway at the iconic town hall to secure its place at the heart of the valley for generations to come, and Bridgend town centre, where we are preparing to unveil an all-new masterplan template to deliver new prosperity.

As a manufacturing-intensive location, the county borough has been officially acknowledged by the UK Competitiveness Index as being the seventh most competitive part of Wales.

With the second-busiest train station in the City Deal region, we are an area which serves as an important link in the national transport network, both for businesses and for people who need to travel to work or to access training.

Thanks to a £5 million investment from the Metro Plus programme, plans are underway for an expansion of Pyle railway station and the park and ride which will enhance links with Village Farm Industrial Estate.

Elsewhere, a new railway station is being constructed in Brackla, at Pencoed will infrastructure to enable the closure of the level crossing, and improved transport links between Maesteg, Bridgend, Porthcawl and Cardiff are set to include an all-new transport terminus in Porthcawl.

With projects such as these and many more being planned in play, this council is continuing to invest in new infrastructure for the county borough even as we look towards capitalising upon future developments throughout the region, and delivering high-quality services and facilities for the people we serve.

Before I finish, I would like to make some announcements regarding changes in the senior management of the council.

First of all, Janine Nightingale recently joined us as our new Corporate Director of Communities.

With more than two decades experience as a senior manager in local government, Janine is a qualified planner who has previously worked at Cardiff Council at chief officer level.

Janine was most recently the Head of Capital Projects in Economic Development, where she was responsible for providing strategic direction and leading on Cardiff's £300m capital programme.

As a very proud daughter of Maesteg Janine is as passionate about progressing regeneration of our communities as we all are.

Following the retirement of Sue Cooper, Claire Marchant is also taking over as the new Corporate Director for Social Services and Well-Being.

Claire has been the Director of Social Services in Cardiff for the past two years, and brings more than 20 years of senior level experience across Welsh public services to the role.

Having made Porthcawl her home and the place where she is raising her family Claire is as committed to protecting our most vulnerable citizens and the continued improvement and re-modelling of social services as we all are.

I am sure that members will join me in welcoming them both to Bridgend County Borough Council.

In my role as Leader, I am of course ably backed by my Cabinet colleagues.

I am very grateful for their support, and would like to acknowledge their ongoing commitment.

I can announce today that for the year ahead, there will be one change to the Cabinet team.

Councillor Philip White will be retiring from the position of Cabinet Member for and Councillor Nicole Burnett will be the new Cabinet Member for Social Services and Early Help.

In fulfilling this position over the last few years, Councillor White has offered tireless service.

He has also acted as a passionate champion for the rights of carers, older people, and children and young people.

Councillor White is retiring from Cabinet but for Council, he will continue to be a very active representative for his community of Caerau, for example as Chair of Nantyffyllon Primary School Governing Body.

Councillor Burnett has demonstrated similar dedication and commitment, and I have no doubt whatsoever that she will ably fulfil the requirements of this important role shares that passion and commitment.

I am grateful that Councillor Burnett has accepted this position, and together with my Cabinet colleagues, I would like to extend a warm welcome to her, and to offer our sincere thanks to Councillor White for the invaluable contribution that he has made.

As I am not proposing to make any further changes to the current Cabinet portfolio, I would like to finish by taking this opportunity to express my sincere thanks to the Deputy Leader, Councillors Patel, Smith and Young for their ongoing and much-valued support.

It is, as always, greatly valued.

I would also like to add my personal thanks to all members for their support during this time of a global health crisis. There are some political differences but as we face a long hard difficult winter. These differences are secondary to the overriding objective that we all share to protect the residents from the Covid-19 virus as best we can. I know we will want to continue to work as one council to support and protect our citizens.”

The Deputy Leader and each of the Cabinet Members in turn, paid their own personal tribute to Councillor PJ White for the commitment, support and dedication he had shown as Cabinet Member for the portfolio of Social Services and Early Help.

Councillor White replied by confirming that he had enjoyed this role immensely and whilst he had thought long and hard about standing down as Cabinet Member, he felt that to be the right choice at this moment in time. He thanked the Leader and Cabinet

Members for their kind words and for the support that they and other County Borough Members had given him also, since he had been a member of the Executive.

449. THE LEADER TO APPOINT MEMBERS OF THE CABINET

RESOLVED: The Leader officially appointed the following Members to the Cabinet:-

Councillor HM Williams
Councillor D Patel
Councillor N Burnett
Councillor CE Smith
Councillor RE Young

450. THE LEADER MAY ANNOUNCE THE DEPUTY LEADER OF BRIDGEND COUNTY BOROUGH COUNCIL FROM THOSE MEMBERS APPOINTED TO THE CABINET AND MAY ANNOUNCE THE APPOINTMENT OF CABINET MEMBERS TO PORTFOLIOS

RESOLVED: The Leader announced that the Deputy Leader and Cabinet Member responsible for Resources for 2020/2021, would be Councillor HM Williams.

He added that the following Cabinet Members would be responsible for the undermentioned portfolios:-

Councillor D Patel – Wellbeing and Future Generations
Councillor N Burnett – Social Services and Early Help
Councillor CE Smith – Education and Regeneration
Councillor RE Young - Communities

451. PROPOSED PROGRAMME OF MEETINGS OF THE COUNCIL AND COUNCIL COMMITTEES

The Monitoring Officer presented a report, the purpose of which, was to propose a programme of ordinary meetings of the Council and Council Committees for the municipal year October 2020 – April 2021 for approval and to note the programme of meetings for the municipal year May 2021 – April 2022.

The Monitoring Officer announced two changes to the programme of meetings for the year 2020-2021, namely that the meeting of the Subject Overview and Scrutiny Committee dated 25th November now be held on 18th November 2020 and that the Democratic Services Committee dated 22nd October now be held on 4th November 2020.

RESOLVED: That Council:-

- a. Approved the proposed programme of Council meetings for 2020/21 set out in paragraph 4.1 of this report;
- b. Approved the proposed programme of meetings of Council Committees set out in Appendix 1 to the report (subject to the above amendments);
- c. Noted the provisional draft programme of meetings of Council and Council Committees for 2021/22 set out in Appendix 2 to the report;

- d. Noted the dates of Cabinet, Cabinet Committees and the Coychurch Crematorium Joint Committee which are also set out in Appendix 1 and 2 of the report, for information purposes.

452. APPOINTMENTS TO THE COUNCIL COMMITTEES AND OTHER COUNCIL BODIES IN ACCORDANCE WITH THE PROVISIONS OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT ACT 2000

The Monitoring Officer presented a report, the purpose of which, was to seek Council approval for the appointment of Overview and Scrutiny Committees and such other Committees, Sub-Committees, Panels and bodies as the Council considers appropriate, to deal with matters which are neither reserved to full Council nor are executive functions.

She advised that Part 3 of the Council's Constitution, entitled Responsibility for Council Functions, sets out the Council's Committees, Sub-Committees, Panels and other bodies currently in place. Detailed in the report were certain Committees, some of which are governed by provisions of the Local Government (Wales) Measure 2011, in terms of their composition and/or appointment of Chairpersons.

The report outlined the process that should be followed in relation to the appointment of Members to the above bodies, but more particularly, to the appointment of Chairpersons and where applicable, Vice-Chairpersons, in accordance with the provisions outlined immediately above.

An example of this being, that the appointment of the Chairperson and Vice-Chairperson of the Audit Committee, would be made at the first Committee meeting after the Annual meeting. These appointments could not be Members from the largest political group of the Council.

The current remit and functions of Committees and other bodies of the Council it was proposed, remained unchanged as detailed in Part 3 of the Constitution – Responsibility for Council Functions which was attached at Appendix 1 to the report.

Political balance is essential to determine the allocation of seats on Committees. The current political balance of Committees and other bodies was shown at Appendix 2 of the report.

The current committee structure was shown at Appendix 3 of the report, while the existing membership of committees which will form the basis of any changes to the membership of the committees was attached at Appendix 4.

RESOLVED: That Council :-

- (1) Agreed to rename the Audit Committee to the Governance and Audit Committee and approve that the Terms of Reference of the Audit Committee within Part 3 of the Constitution be amended accordingly to reflect the change in name of the Audit Committee in accordance with paragraph 4.2.3 of the report and the removal of the reference to the Whistleblowing Policy in paragraph 4.2.4 of the report;
- (2) Appointed the Overview and Scrutiny Committees and such other Committees as the Council considers appropriate to deal with matters which are neither reserved to the Council nor are executive functions;

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- (3) Determined the size and terms of reference for those Committees as set out in Appendix 1 of the report;
- (4) Determined the allocation of seats to political groups in accordance with the political balance rules as set out in Appendix 2 of the report;
- (5) Determined which political groups represented at Council are entitled to make which appointments of Overview and Scrutiny Committee Chairpersons;
- (6) Received nominations and appointed Councillors to serve on each of the Committees, Panels and other bodies (as shown as an Appendix to these minutes);
 - Appeals Panel
 - Appointments Committee
 - Audit Committee
 - Democratic Services Committee
 - Development Control Committee
 - Licensing Committee
 - Licensing Act 2003 Committee
 - Town and Community Council Forum
 - Subject Overview and Scrutiny Committee 1
 - Subject Overview and Scrutiny Committee 2
 - Subject Overview and Scrutiny Committee 3
 - Corporate Overview and Scrutiny Committee
- (7) Received nominations and appointed the Chairpersons and Vice-Chairpersons to the following Committees, Panels and other bodies (as indicated) with it being noted that the Audit Committee at its first scheduled meeting will appoint a Chairperson and Vice-Chairperson:
 - Appeals Panel

There were two nominations for the appointment of Chairperson to the Appeals Panel for the remainder of the ensuing year, ie to May 2021, as follows:-

Councillor PA Davies
Councillor R Penhale-Thomas

A vote was therefore conducted, the result of which was as follows:-

Councillor PA Davies

Councillor R Penhale-Thomas

30 votes

23 votes

Councillor PA Davies was therefore appointed Chairperson of the Appeals Panel

Vice-Chairperson – Councillor J McCarthy – (unopposed)

- Democratic Services Committee - Chairperson E Venables (unopposed)
- Development Control Committee

There were two nominations for the appointment of Chairperson of the Development Control Committee for the remainder of the ensuing year, ie to May 2021, as follows:-

COUNCIL - WEDNESDAY, 30 SEPTEMBER 2020

Councillor G Thomas
Councillor S Dendy

A vote was therefore conducted, the result of which was as follows:-

Councillor G Thomas

Councillor S Dendy

30 votes

23 votes

Councillor G Thomas was therefore appointed Chairperson of the Development Control Committee

There were two nominations for the appointment of Vice-Chairperson of the Development Control Committee for the remainder of the ensuing year, ie to May 2021, as follows:-

Councillor RM Granville
Councillor S Dendy

A vote was therefore conducted, the result of which was as follows:-

Councillor RM Granville

Councillor S Dendy

28 votes

25 votes

Councillor RM Granville was therefore appointed Vice-Chairperson of the Development Control Committee.

- Licensing Committee & Licensing Act 2003 Committee – Chairperson - Councillor D Lewis (unopposed)
Vice-Chairperson – Councillor PA Davies (unopposed)
 - Town and Community Council Forum – Chairperson – Councillor HJ David (unopposed)
Vice-Chairperson – Councillor CE Smith (unopposed)
- (8) Received nominations and appointed the Chairpersons of the following Overview and Scrutiny Committees in accordance with the provisions of paragraph 4.3 of the report:
- Subject Overview and Scrutiny Committee 1 – Councillor T Giffard (unopposed)
 - Subject Overview and Scrutiny Committee 2 – Councillor CA Green (unopposed)
 - Subject Overview and Scrutiny Committee 3 – Councillor JP Blundell (unopposed)

453. **REPRESENTATION ON OUTSIDE BODIES AND OTHER COMMITTEES**

The Monitoring Officer submitted a report, the purpose of which, was to seek Council's approval for the appointment of Members to the South Wales Police and Crime Panel, Cardiff Capital Region City Deal Joint Scrutiny Committee and the South East Wales Strategic Planning Group as set out in the report at Appendix 1, for the ensuing year ie to May 2021.

There were two nominations for the appointment to the Cardiff Capital Region City Deal Joint Scrutiny Committee, as follows:-

Councillor JP Blundell

Councillor M Voisey

A vote was therefore conducted, the result of which was as follows:-

Councillor JP Blundell

Councillor M Voisey

30 votes

17 votes

There were 5 abstentions

- RESOLVED:**
- (1) That Councillor JP Blundell be appointed to the Cardiff City Deal Joint Scrutiny Committee and that Councillor Alex Williams be appointed the Reserve Member (Councillor Williams was unopposed).
 - (2) That Councillor RE Young be appointed to the South Wales Police and Crime Panel.
 - (3) That the Chairperson of the Development Control Committee be appointed to the South East Wales Strategic Planning.

454. TO INVEST THE MAYOR OF BRIDGEND COUNTY BOROUGH COUNCIL FOR 2020/21

Following Council having approved the nomination of Councillor K Watts as Mayor of Bridgend County Borough for the year 2020/2021, Councillor Watts was invited by the outgoing Mayor to formally accept the Office of Mayor. Councillor Watts verbally accepted the office of Mayor and recited the following oath :-

"I Kenneth Watts, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth the Second."

Councillor SE Baldwin extended his congratulations to the incoming Mayor.

455. TO RECEIVE ANNOUNCEMENTS FROM THE NEWLY ELECTED MAYOR

Councillor K Watts, the newly elected Mayor, gave his announcement as follows:-

"Mr. Mayor, Councillors, guests and family who, thanks to the wonders of modern technology can all be 'virtually' present.

Naturally, I am very proud and honoured to have been elected to the office of Mayor for the County Borough of Bridgend, something I never truly expected to happen. To expand on how much this means to me and its unexpected reality, I need to provide some background as to how I, an Englishman, has come to this.

But, before I proceed further, I have to say how even more honoured and proud I am by a certain person agreeing to be my consort especially when one considers the news she received only this time last year and the subsequent impact this has had on her. I can only admire her strength and determination given the circumstances surrounding her decision confirming what a special lady she is.

So, it is with great pride and pleasure when I say to you that Councillor. Julia Williams has agreed to be my consort.

So back to what this honour means to me.

I first came to South Wales in 1964 as an 18 year old courting a young Welsh girl from the Garw Valley who was later to become my wife.

At that time the coal tips were still very evident and the dead river ran black. My future mother in law, although not a councillor was very vocal on the issue of cleaning up the mess left by the coal industry in which her husband, my future father in law, had worked all his life. Coming from England both the situation and the devastation wreaked by the industry made a lasting impression on me. But, of even greater impact over the years since then has been the subsequent clean up carried out by the then Ogwr Borough Council and now by the Bridgend County Borough Council. To me this is even more impressive considering the point from which the recovery of the Garw Valley had to start.

If someone had said to me then back in the 60's I would become the Mayor of Bridgend County (then Ogwr Borough Council) I would have thought them deluded! As would my in laws! I didn't have a political bone in my body.

Sadly, none of those I have mentioned are here to see this day other than, I'm pleased to say, my children and grandchildren.

But having subsequently moved to South Wales in 1976 I was later to become involved in local matters in Porthcawl. Having seen what could be done in the Garw Valley, then why not elsewhere, so here I am today.

As we know things are at last beginning to move in Porthcawl.

My year in office, in fact one of only 8 months, will be shorter than normal and clearly required to be conducted in a totally different way to that previously experienced by my predecessors. Given the circumstances, of which we are all only too well aware, I shall endeavour to fulfil and promote the role and office of Mayor to the best of my ability by supporting community events wherever and whenever possible whilst at all times keeping in mind the need for us all to stay safe during this dreadful pandemic.

With regard to the Pandemic I believe it incumbent upon us all to set an example to our constituents not only by abiding by the rules and following advice but more importantly, by working together to provide the many services this Authority is bound to do. It is going to be vital we do so to protect the residents of the County probably for many months to come.

We are all aware of the forthcoming Senedd elections next May and I sincerely hope we can leave any political differences to be aired at the right time and the right place during this difficult period but still provide robust challenge and scrutiny where necessary.

It is also a very difficult time for charities, especially in the raising of funds, and this will be challenging to say the least. So, I ask all members to consider making a donation to my chosen charities which are, Parkinson's UK and Epilepsy Society, via the Mayor's Just Giving account. I know you are asked this each year but this year I believe it even more vital for donations to be made as they will no doubt form the greater part of any funds raised.

Lastly, I wish to say well done to the outgoing Mayor Councillor Stuart Baldwin. It's been a unique and difficult time for local authorities everywhere and he has carried the mantle of Mayor with pride and passion throughout these last 17 months. So many congratulations on a successful period in office which has made you, I suspect, the

longest serving Mayor of BCBC. It's been a privilege to have been your deputy and to have worked with both yourself and your consort Councillor. Nicole Burnett.”

456. TO INVEST THE DEPUTY MAYOR OF BRIDGEND COUNTY BOROUGH COUNCIL FOR 2020/21

Following Council having approved to Invest Councillor JC Spanswick as Deputy Mayor of Bridgend County Borough for the year 2020/2021, Councillor Spanswick was invited by the outgoing Mayor to formally accept the Office of Deputy Mayor.

Councillor Spanswick confirmed that he was both pleased and honoured to accept the role of Deputy Mayor for the year 2020/2021.

Councillor SE Baldwin extended his congratulations to the incoming Deputy Mayor.

457. TO INVEST THE DEPUTY MAYOR'S CONSORT

Mrs S Spanswick having been named as Deputy Mayor's consort for the year 2020/21, was invited by the outgoing Mayor, to formally accept the position of consort.

Mrs S Spanswick verbally accepted the position of Deputy Mayor's Consort, as follows:-

“It gives me great pleasure in accepting the position of Deputy Mayor's Consort.”

Councillor SE Baldwin extended his congratulations to the incoming Deputy Mayor's Consort.

458. TO INVEST THE MAYOR'S CONSORT

Councillor J Williams having been named as Mayor's consort for the year 2020/21, was invited by the outgoing Mayor, to formally accept the position of consort.

Councillor Julia Williams verbally accepted the position of Mayor's Consort, as follows:-

“It gives me great pleasure in accepting the position of Mayor's Consort.”

Councillor SE Baldwin extended his congratulations to the incoming Mayor's Consort.

The meeting closed at 17:38

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COMMITTEE MEMBERSHIP

Appeals Panel			
Ser	Councillor	Group	Notes
1.	Jeff Tildesley	Independent	
2.	Matthew Voisey	Conservative	
3.	Elaine Venables	Independent Alliance	
4.	Norah Clarke	Independent Alliance	
5.	David Lewis	Labour	
6.	Gareth Howells	Labour	
7.	Janice Lewis	Labour	
8.	John McCarthy	Labour	
9.	Stuart Baldwin	Labour	
10.	Pam Davies	Labour	
11.	Ross Penhale Thomas	Llynfi Independents	
12.	James Radcliffe	Plaid Cymru	

Appointments Committee			
Ser	Councillor	Group	Notes
1.	Tom Giffard	Conservative	
2.	Norah Clarke	Independent Alliance	
3.	Huw David	Labour	
4.	Hywel Williams	Labour	
5.	Tim Thomas	Plaid Cymru	
6.	Cabinet Member	Labour	with relevant portfolio for post being recruited
7.	Jon-Paul Blundell	Labour	
8.	Ross Penhale Thomas	Llynfi Independents	

Audit Committee			
Ser	Councillor	Group	Notes
1.	Altaf Hussain	Conservative	
2.	Lyn Walters	Conservative	
3.	Alex Williams	Independent Alliance	
4.	Amanda Williams	Independent Alliance	
5.	Cheryl Green	Independent Alliance	
6.	Tom Beedle	Llynfi Independents	
7.	Bridie Sedgebeer	Labour	
8.	Janice Lewis	Labour	
9.	Pam Davies	Labour	
10.	Mike Kearn	Labour	
11.	Richard Granville	Labour	
12.	Paul Davies	Labour	

Democratic Services Committee			
Ser	Councillor	Group	Notes
1.	Matthew Voisey	Conservative	
2.	Sadie Vidal	Conservative	
3.	Elaine Venables	Independent Alliance	
4.	Sean Aspey	Independent Alliance	
5.	Alex Williams	Independent Alliance	
6.	Bridie Sedgebeer	Labour	
7.	Gareth Howells	Labour	
8.	Gary Thomas	Labour	
9.	Richard Granville	Labour	
10.	Stephen Smith	Labour	

11.	Malcolm James	Plaid Cymru	
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Development Control Committee			
Ser	Councillor	Group	Notes
1.	Carolyn Webster	Conservative	
2.	Matthew Voisey	Conservative	
3.	Altaf Hussain	Conservative	
4.	Amanda Williams	Independent Alliance	
5.	Sorrel Dendy	Independent Alliance	
6.	Ken Watts	Independent	
7.	David Lewis	Labour	
8.	Gary Thomas	Labour	
9.	Janice Lewis	Labour	
10.	John Spanswick	Labour	
11.	Jon-Paul Blundell	Labour	
12.	Mike Kearn	Labour	
13.	Stuart Baldwin	Labour	
14.	Richard Collins	Labour	
15.	Richard Granville	Labour	
16.	Keith Edwards	Llynfi Independents	
17.	Roz Stirman	Plaid Cymru	
18.	James Radcliffe	Plaid Cymru	

Licensing Act 2003 Committee			
Ser	Councillor	Group	Notes
1.	Altaf Hussain	Conservative	
2.	Aniel Pucella	Conservative	
3.	Julia Williams	Independent	
4.	Brian Jones	Independent Alliance	
5.	Alex Williams	Independent Alliance	
6.	David Lewis	Labour	
7.	Gary Thomas	Labour	
8.	Janice Lewis	Labour	
9.	Mike Kearn	Labour	
10.	Pam Davies	Labour	
11.	Richard Collins	Labour	
12.	John McCarthy	Labour	
13.	Tom Beedle	Llynfi Independents	
14.	Malcolm James	Plaid Cymru	

Licensing Committee			
Ser	Councillor	Group	Notes
1.	Altaf Hussain	Conservative	
2.	Aniel Pucella	Conservative	
3.	Julia Williams	Independent	
4.	Brian Jones	Independent Alliance	
5.	Alex Williams	Independent Alliance	
6.	David Lewis	Labour	
7.	Gary Thomas	Labour	
8.	Janice Lewis	Labour	
9.	Mike Kearn	Labour	
10.	Pam Davies	Labour	
11.	Richard Collins	Labour	
12.	John McCarthy	Labour	
13.	Tom Beedle	Llynfi Independents	
14.	Malcolm James	Plaid Cymru	

Town & Community Council Forum			
Ser	Councillor	Group	Notes
1.	Sadie Vidal	Conservative	
2.	Kay Rowlands	Conservative	
3.	Matthew Voisey	Conservative	
4.	Ken Watts	Independent	
5.	Jefferson Tildesley MBE	Independent	
6.	Brian Jones	Independent Alliance	
7.	Mike Clarke	Independent Alliance	
8.	Sean Aspey	Independent Alliance	
9.	Bridie Sedgebeer	Labour	
10.	Phil White	Labour	
11.	Huw David	Labour	
12.	Jon-Paul Blundell	Labour	
13.	Paul Davies	Labour	
14.	Richard Granville	Labour	
15.	Stephen Smith	Labour	
16.	Stuart Baldwin	Labour	
17.	Richard Young	Labour	
18.	Keith Edwards	Llynfi Independents	
19.	James Radcliffe	Plaid Cymru	

Subject Overview and Scrutiny Committee 1			
Ser	Councillor	Group	Notes
1.	Tom Giffard	Conservative	
2.	Kay Rowlands	Conservative	
3.	Ken Watts	Independent	
4.	Jefferson Tildesley MBE	Independent	
5.	Amanda Williams	Independent Alliance	
6.	Alex Williams	Independent Alliance	
7.	Sorrel Dendy	Independent Alliance	
8.	Bridie Sedgebeer	Labour	
9.	Jane Gebbie	Labour	
10.	Jon-Paul Blundell	Labour	
11.	Martyn Jones	Labour	
12.	Stuart Baldwin	Labour	
13.	Richard Collins	Labour	
14.	Pam Davies	Labour	
15.	Tom Beedle	Llynfi Independents	
16.	Roz Stirman	Plaid Cymru	

Subject Overview and Scrutiny Committee 2			
Ser	Councillor	Group	Notes
1.	Aniel Pucella	Conservative	
2.	Carolyn Webster	Conservative	
3.	Altaf Hussain	Conservative	
4.	Cheryl Green	Independent Alliance	
5.	Mike Clarke	Independent Alliance	
6.	Sorrel Dendy	Independent Alliance	
7.	Sean Aspey	Independent Alliance	
8.	Tim Thomas	Plaid Cymru	
9.	Pam Davies	Labour	
10.	Gary Thomas	Labour	
11.	Jane Gebbie	Labour	
12.	Janice Lewis	Labour	
13.	David White	Labour	
14.	Martyn Jones	Labour	
15.	Mike Kearn	Labour	
16.	Phil White	Labour	

Subject Overview and Scrutiny Committee 3			
Ser	Councillor	Group	Notes
1.	Lyn Walters	Conservative	
2.	Matthew Voisey	Conservative	
3.	Julia Williams	Independent	
4.	Elaine Venables	Independent Alliance	
5.	Norah Clarke	Independent Alliance	
6.	David Lewis	Labour	
7.	Gareth Howells	Labour	
8.	Gary Thomas	Labour	
9.	John Spanswick	Labour	
10.	Paul Davies	Labour	
11.	Jon-Paul Blundell	Labour	
12.	Rod Shaw	Labour	
13.	John McCarthy	Labour	
14.	Keith Edwards	Llynfi Independents	
15.	Roz Stirman	Plaid Cymru	
16.	James Radcliffe	Plaid Cymru	

Corporate Overview and Scrutiny Committee			
Ser	Councillor	Group	Notes
1.	Kay Rowlands	Conservative	
2.	Tom Giffard	Conservative	
3.	Norah Clarke	Independent Alliance	
4.	Cheryl Green	Independent Alliance	
5.	Stuart Baldwin	Labour	
6.	Jane Gebbie	Labour	
7.	John Spanswick	Labour	
8.	Jon-Paul Blundell	Labour	
9.	Martyn Jones	Labour	
10.	Rod Shaw	Labour	
11.	Ross Penhale-Thomas	Llynfi Independents	
12.	Tim Thomas	Plaid Cymru	

Standards Committee		
Councillor	Group	Notes
Paul Davies	Labour	
Mike Clarke	Independent Alliance	

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MINUTES OF A MEETING OF THE COUNCIL HELD IN REMOTELY VIA SKYPE FOR BUSINESS ON WEDNESDAY, 21 OCTOBER 2020 AT 15:00

Present

Councillor KJ Watts – Chairperson

S Aspey	SE Baldwin	TH Beedle	JPD Blundell
NA Burnett	MC Clarke	N Clarke	RJ Collins
HJ David	P Davies	PA Davies	SK Dendy
DK Edwards	J Gebbie	T Giffard	RM Granville
CA Green	DG Howells	A Hussain	RM James
B Jones	M Jones	MJ Kearn	DRW Lewis
JE Lewis	JR McCarthy	D Patel	RL Penhale-Thomas
AA Pucella	KL Rowlands	B Sedgebeer	RMI Shaw
CE Smith	SG Smith	JC Spanswick	RME Stirman
G Thomas	T Thomas	E Venables	SR Vidal
MC Voisey	LM Walters	CA Webster	DBF White
PJ White	A Williams	AJ Williams	HM Williams
JE Williams	RE Young		

Apologies for Absence

JC Radcliffe and JH Tildesley MBE

Officers:

Deborah Exton	Interim Deputy Head of Finance
Mark Galvin	Senior Democratic Services Officer - Committees
Lindsay Harvey	Corporate Director Education and Family Support
Gill Lewis	Interim Chief Officer – Finance, Performance and Change
Claire Marchant	Corporate Director Social Services and Wellbeing
Janine Nightingale	Corporate Director - Communities
Zak Shell	Head of Neighbourhood Services
Mark Shephard	Chief Executive
Kevin Stephens	Democratic Services Assistant
Kelly Watson	Chief Officer Legal, HR and Regulatory Services

460. DECLARATIONS OF INTEREST

Councillor S Baldwin declared a prejudicial interest in Agenda item 6 and withdrew from the meeting when this report/presentation was considered.

461. APPROVAL OF MINUTES

RESOLVED: That the Minutes of Council dated 16 September 2020, be approved as a true and accurate record, subject to the following:

1. That Council noted that the declaration of personal interest made by the Mayor in respect of the City Deal item, was made subsequent to the meeting and not at the meeting itself.
2. That it be further noted that the Mayor had made an apology at the Annual meeting of Council, in that he confirmed that he was wrong to announce that a Conservative Councillor had made an incorrect statement on an item at the meeting of Council on 16 September 2020, when it could have in fact, been any

Councillor in attendance at the meeting, regardless of which political group they were a member of.

462. TO RECEIVE ANNOUNCEMENTS FROM THE MAYOR

Prior to going into his formal announcements, the Mayor felt that it was incumbent to state to those that were in the Member briefing immediately prior to Council, that as both Mayor and the partner of Councillor J Williams, that this Council collectively acknowledges her bravery in providing an example to us all in the face of great adversity and in vocalising the situation that faces not only herself, but so many other individuals in the face of the pandemic.

The Mayor following this, welcomed all those present to his first Ordinary Council meeting since being invested as Mayor. He hoped that all Members and Officers and their families were keeping safe and well.

He announced that despite these unusual times, he had the pleasure of carrying out his first official engagement, albeit virtually. He had spoken to Mr. Laurence Brophy of Pencoed who at 88 cycled from Land's End to John O'Groats and back again to raise over £5,000 for the homeless charity Llamau. Not only did Laurence complete this amazing journey, he did it with no support team and slept rough along the way to better understand the challenges of being homeless and feeling vulnerable. Laurence is already planning his next challenge which is possibly going to be the three peaks challenge.

The Mayor added that it was very enlightening to speak to someone who has so much enthusiasm, drive and desire to help those less fortunate than himself. He had subsequently written to Laurence and expressed the Council's admiration and support for his future endeavours.

As he had advised in his Mayoral acceptance speech, the charities that the Mayor would be supporting during his term of office, are Parkinson's UK and the Epilepsy Society. He was looking at the feasibility of holding some virtual fundraising events and will of course update those present, with any future details. In the meantime he added, donations could be made via the Mayor's Just Giving account. The link for this could be found on the BCBC Mayoral webpage.

463. TO RECEIVE ANNOUNCEMENTS FROM THE LEADER

The Leader announced that earlier this week, Welsh Government confirmed that the whole of Wales is to enter a two-week 'fire-break' period of lockdown that will begin on Friday 23 October, and end on Monday 9 November.

With as many as 2,500 people contracting coronavirus every day in Wales, the First Minister confirmed the action as being essential to turn this around, and to prevent hospitals and critical care units from becoming overwhelmed in the weeks and months ahead.

The move will also support efforts to limit restrictions around the forthcoming Christmas and New Year periods, and follows efforts by Welsh Government to keep Wales safe by preventing people travelling to Wales from coronavirus 'hot spots' in England, Scotland and Northern Ireland.

The fire-break will impose a number of restrictions upon households and businesses throughout Wales throughout its duration.

People will need to stay at home, and also work from home wherever possible.

People can only go out for essential reasons, e.g. to buy food or pick up a prescription medicine, and can also leave home to exercise either alone, with members of your household or with a carer.

Adults living alone or single parents will be able to join with one other household for support, but visits to other households or meeting with people you do not live with, either indoors or outdoors, will not be possible.

Outdoor gatherings, including organised activities such as Halloween or Bonfire Night, will not be able to take place.

However, an exception will be made for small-scale Remembrance Sunday events that have already been organised.

While community centres, libraries and recycling centres will all need to close, local parks, playgrounds and outdoor gyms can remain open.

As regards the impact upon local schools, primary and special schools will re-open as normal after the October half-term holiday, and secondary schools will re-open for children in years seven and eight.

Pupils will be able to attend school to take exams, but other children will need to continue with their learning from home for an extra week.

All non-food retail and hospitality businesses, close contact services, and events and tourism businesses are required to close during the lockdown.

This will include hairdressers, beauticians, hotels, cafes, restaurants and pubs, but take-away and delivery services will still be able to operate.

Health and NHS services will continue to operate, and where indoor public spaces remain open, face coverings must be worn, including on public transport and in taxis.

To support businesses during the lockdown fortnight, Welsh Government has announced a new £300m fund.

Every business covered by the small business rates relief will receive a £1,000 payment, while all small and medium-sized retail, leisure and hospitality businesses that have to close will receive a one-off payment of up to £5,000.

A recently announced fund to help businesses develop in the longer term is being increased from £80m to £100m, with the additional £20m ring-fenced to support tourism and hospitality businesses.

Additional discretionary grants and support will also be available, and businesses will be able to access the existing Job Retention Scheme or the newly expanded Job Support Scheme.

UK Government is also continuing to make wage-support schemes available.

Together with our partners, the Council is making preparations for the start of the fire-break, and to ensure that we can continue to prioritise vulnerable people and provide vital services.

Throughout this, the Welsh Government's rationale for instigating the fire-break remains very clear.

Nobody wants to enter into another lock-down situation, but all across Wales, the coronavirus pandemic is getting worse, not better. People are dying, and the situation needs to be taken far more seriously across all levels of the community.

The fire-break is necessary to prevent our hospitals and essential services from becoming overwhelmed by coronavirus cases this autumn and winter.

The worsening situation has meant that the Ysbyty'r Seren field hospital on Bridgend industrial estate has already started accepting patients from the Royal Glamorgan, Prince Charles and Princess of Wales hospitals.

As Members were aware, the field hospitals are designed to ease the strain upon our main facilities, and to ensure that they can continue to focus upon patients who require more specialist care.

Everyone needed to play their part, to support these efforts in order to protect ourselves, our friend and families, and our communities.

As community leaders, the Leader knew all members will support these efforts, and will encourage constituents to abide by the lockdown rules.

To help people better understand this, Welsh Government has published a highly-detailed series of frequently asked questions on their website.

As well as providing a broad context for why the fire-break is necessary, it also supplies answers and confirms details around a wide range of topics, and is a useful resource in the event you receive any enquiries.

Following the end of the fire-break, Welsh Government will be announcing a new set of national rules that we anticipate will cover how people can meet, how the public sector and businesses can operate, and more.

Further details would be forthcoming as they become known, but with hospital admissions rising rapidly, critical units already full and a real risk of the NHS becoming overwhelmed, it is clear that action must be taken now, and that we must all act together in order to make it work and to save lives.

464. PRESENTATION BY VALLEYS TO COAST & PROGRAMME OF FUTURE PRESENTATIONS TO COUNCIL

The Chief Executive submitted a report, the purpose of which, was to introduce a presentation to Council from Valleys To Coast and to inform Members of the programme of future presentations to Council.

The Mayor introduced to the meeting Jo Oak, Chief Executive of V2c together with colleagues to give a presentation on the work of V2c and how they integrate with partners such as BCBC and others.

The Chief Executive of V2c, thanked Members for the opportunity to come and speak with them today and hoped this will be the start of BCBC and V2c forging stronger relationships, not just at a senior level but across all parts of its organisations.

She advised that she had been in conversation with the Chief Executive of the Council, in order to develop an understanding of the pressures, priorities and common goals we share as organisations and she felt confident that the levels of collaboration and engagement would be increased in the future, in order to reap the benefits of a fresh approach, a fresh start.

The Chief Executive V2c stated, that just like the local authority, the Housing Association were planning for a future it did not foresee at the beginning of this year. Now more than ever collaborative working together was required, in order to recognise the areas where we can add value, the areas where we can signpost people to others who can too, and find ways to empower ourselves and others to help us with the transformation, due to the untimely pandemic.

V2c saw now as the right time for that organisation and the Council to work closer together and be seen as a partner of choice by BCBC. She did not want V2c to be known as just a housing association, but also to be recognised for building homes and communities too.

The relationship between the two, was starting now from a position of strength, though she acknowledged that there is more that could be achieved to be more closely joined-up and more that could be done, to ensure that we make ourselves part of the conversations and move towards being planned and not reactive in their responses.

The Chief Executive of V2c stated, that as an organisation they were listening, learning and responding and there was a willingness to improve and grow. Of equal importance, there was an enthusiasm and desire to do this too. Whilst she conceded that V2c were not fully where they wanted to be yet with the organisation being no means perfect, she had been encouraged by the collective response from her colleagues to this difficult year and she felt, that V2c were coming into this second phase of the pandemic, much stronger than they had started it.

She advised that she, together with colleagues, wanted to talk through the key areas where it was felt with BCBC it could work together to both add value and also demonstrate some developing areas, where progress was being made.

She wished to take a look back at the last year, before starting to talk about the journey forward. V2c had prepared an annual review video that would reflect the work undertaken over the last year to 18 months. This would be forwarded to all Members in due course

The Chief Executive, V2c confirmed that despite the curve-ball of the pandemic, it had been a positive year and progress has been made as data and statistics reflected in some of her presentation slides.

The pandemic had, however, changed the situation for everyone, and given us all a different lens through which to view the future. It had also forced individuals to accept a need for accelerated transformation and like BCBC, it had changed the priorities of V2c, in ways we could not have imagined only as far back as February this year.

Unprecedented was a word few of us had ever used before this year but none of us have been faced with a threat like this before, she added

Learning as matters progressed, V2c ensured that the organisation maintained open communications with customers, adopting a traffic light system to inform them of the status of services, using its website, social media, texts and regular letters to keep tenants informed and up to date.

Since last July the Chief Executive of V2c confirmed that within the organisation V2c had challenges too, with a number of staff going onto the furlough scheme while its core services were shut down and they completed emergencies only. Despite the restrictions V2c were able to carry out over 3,000 emergency repairs, keeping both our customers and their homes safe.

There were lessons learned from this, however, and V2c had listened to feedback it had received and put in place the start of a number of changes that will ensure that the housing association in the future, makes connective links with not only BCBC, but other partners to ensure that there is a joint response to any subsequent wave.

She explained that on 5 October 2020, V2c's repairs and maintenance teams returned to full service and started working through outstanding repairs that had arisen since covid-19. She felt the organisation had already made significant progress, in clearing many of these and V2c were now accepting new repair requests through its Hub.

In terms of its Lettings and Housing services, V2c were now letting properties as normal and working with BCBC, to let homes as and when they become available. They were also advertising properties on HomeHunt.

Services such as "money matters" were being conducted remotely over the phone with home visits only happening if there was an urgent need.

In terms of new ways of working in the 'New Norm', the Chief Executive of V2c advised, that internally the organisation had worked hard to comply with both the guidance from Welsh Government and Public Health Wales. V2c were covid compliant and had robust risk assessments in place to safeguard both colleagues and customers alike. V2c were now conducting 'track and trace' at the time of appointment and on the doorstep. It would also cancel and re-book appointments, if it was deemed not safe, to conduct them first time around.

This adjustment was being seen as normal custom and practice going forward, as it was not known how long operations would need to be conducted this way. This way of working, was hopefully reflecting that V2c was doing all it could do, in order to show colleagues and customers that they were keeping them safe and that the organisation also had confidence in the 'new normal'.

The Chief Executive V2c, then shared a few statistics with Members, as follows:-

- £1.26m of value had been generated for customers from V2c's Money Matters team;
- V2c had rented 5,888 homes in Bridgend;
- V2c had taken 80,361 phone calls through its Hub;
- 81.82% of V2c's customers were satisfied with its performance;
- V2c had committed £6.9m to planned repairs and improvements;
- V2c had built 33 new properties

Now V2c had made progress in establishing new ways of working, the Chief Executive confirmed that she wanted to dedicate the housing association to finding new ways of working together with BCBC, as the local authority were the democratic representative for all communities that comprised the BCB and very much part of the 'community voice'. Hopefully, those present had seen V2c's new Members' enquiry process which should result in it being easier to contact a representative of the organisation. Also, Members would, if they hadn't already, receive an invitation to walk around our communities and jointly understand the issues (with representatives from V2c).

In terms of direct contact with customers, the Chief Executive of V2c said she was committed to:

1. Staying in touch with those who needed them most, from rent calls to welfare calls. Contacting sheltered customers weekly. Pro-active work was ongoing with the money matters team, with there being over 3,000 welfare calls with referrals to food banks, money advice and sometimes, just for the purpose of having a conversation with tenants to see how they are and how they are coping during the coronavirus.
- 2. Understanding how issues have changed and looking to engage with local Councillors and other partners as community needs were changing. Work had been ongoing with both Heol-y-Cyw and Wildmill local Members to this end.
3. With the view to looking after the homeless, V2c had been involved in 'Rapid rehousing', ie working with BCBC to provide homes for people in temporary accommodation. This was co-produced with BCBC and other key stakeholders/partner organisations and had been a largely successful venture.
4. No evictions or any other legal action had been taken against tenants during the pandemic, added the Chief Executive of V2c. Partnerships were also being developed, with the view of connecting services to the customers who needed it most.

V2c had also entered into a supportive partnership with The Wallich. Not only would they be its company charity for the next 18 months, but V2c would also be conducting knowledge exchanges with them, with the view to improving understanding of how an assurance could be made, whereby people don't find themselves back on the streets without a home.

V2c were also putting steps in place, so that the right homes in the right places could be found for tenants. This was being achieved through development and asset management strategies and understanding and meeting local need.

The Chief Executive of V2c added it was also about working with the right partners to achieve its aims and objectives, for example with BCBC and housing developers in order to establish the size and type of developments that were needed throughout different locations within the County Borough.

V2c were also looking to provide affordable and cheap to run homes, whilst thinking about de-carbonisation, asset investment or de-investment.

The Chief Executive of V2c further added, that the housing association had split its goals and what it wished to achieve and by when, into the short medium and long term as part of its future Planning Strategy, recognising therefore, that all it wished to aspire to, could not be achieved overnight.

V2c also wished to ensure that its customers were kept safe and happy, by putting them at the heart of what they done. It also wished to maintain making homes safe and energy efficient, as well as maximising the opportunity to grow to meet the required needs.

V2c also wanted to keep its tenants safe and happy, by building a high performing organisation through creating talented and diverse teams and being a partner of choice, by building thriving and connected communities.

The Chief Executive of V2c was fully aware that BCBC's vision was to be an organisation that is united and working together, ie "Being one Council working together to improve lives". As a key partner V2c wanted to replicate that approach.

She added that:

- **BCBC wants to help people and communities become more healthy and resilient -**
V2c valued those things too and want to bring back that sense of community, many people say has been missing. Allow communities to stand on their own two feet and take back some pride and initiative that may have been lost.
- **BCBC want to support a successful and sustainable economy**
V2c also had that high on its agenda and were looking to focus on the foundational economy, building low-energy homes and creating job opportunities locally too,
- **BCBC want to use its resources more wisely**
V2c believed that working together the two bodies can reduce duplication and make the most of the resources we have.

The Chief Executive of V2c then responded to a questions from Members relating to their local areas, following which, it was

- RESOLVED:**
- (1) That Members noted the presentation by the Chief Executive and Director of Development of Valleys To Coast.
 - (2) That Members noted the programme of future presentations to Council as outlined at paragraph 3.3 of the report.

465. **ANNUAL REPORT 2019-20**

The Chief Executive submitted a report, the purpose of which, was to present the Council's Annual Report 2019-20 (at Appendix A) for Council to consider and approve.

The Interim Chief Officer – Finance, Performance and Change stated that, in accordance with the Shared Purpose Shared Future statutory guidance (SPSF: 2) for the Well-being of Future Generations (Wales) Act 2015, individual public bodies must annually review the progress of their well-being objectives and publish a report to assess the extent to which these objectives contribute to the 7 wellbeing goals in accordance with the sustainable development principal.

Under section 15 of the Local Government (Wales) Measure 2009 and in accordance with the related statutory guidance issued by the Welsh Government, the authority must also publish its assessment of performance for the previous financial year before 31 October.

- II She explained, that in March 2019, the Council published its Corporate Plan 2018-22, revised 2019-20. The Plan sets out its vision, which is, always to act as 'One Council working together to improve lives', and its three well-being objectives. The Plan also reiterates the well-being objectives for 2019-20.

The Interim Chief Officer – Finance, Performance and Change, stated that the Plan defined 41 commitments to deliver the three well-being objectives and set out 56 outcome focused indicators to measure the progress for the financial year.

Overall, the Council performed very well in 2019-20, she advised. Of the 41 commitments 34 (82.9%) were completed successfully with 3 (7.3%) achieving most of their milestones and 4 (9.8%) missing most of their milestones. There were justifiable reasons why some targets were missed.

Of the 56 indicators identified for the Corporate Plan, 52 can be compared against their target: 35 (67.3%) met their target, 9 (17.3%) were off target by less than 10% and 8 (15.4%) missed the target by more than 10%. Detailed information about the Council's performance was included in Appendix A to the report.

The Interim Chief Officer – Finance, Performance and Change, explained further, that due to Covid-19, Welsh Government confirmed that there would be no data collection of Public Accountability Measures (PAMs) for 2019-20 therefore no analysis has been undertaken in relation to these indicators.

A summary of funding and financial performance for the year, regulators' findings and themes that underpin the Council's work were also set out in the report, which due to the pandemic had looked forward as well as back, something which had not been custom and practice for the Annual Report, in the past.

A Member referred to page 11 of the Annual Report and the Aim to create successful town centres. He noted the number of visitors to the town centre of Bridgend in terms of its target of 7.2m for 2019/20 had not been achieved and by quite some margin. He further noted whereby, that the footfall in Porthcawl town had actually increased from 2018/19. He asked for some clarification why this was the case, particularly given that GFK had increased in all areas of the UK.

The Leader and the Chief Executive in turn, advised that they would look at the relevant data outside of the meeting and update the Member accordingly with the reasons for this.

RESOLVED: That Council approved the Annual Report 2019-20 (at Appendix A to the report).

466. **CAPITAL PROGRAMME UPDATE - QUARTER 2 2020-21**

The Interim Chief Officer – Finance, Performance and Change presented a report, the purpose of which, was to:

- comply with the requirement of the Chartered Institute of Public Finance and Accountancy's (CIPFA) 'The Prudential Code for Capital Finance in Local Authorities' (2017 edition).
- provide an update of the Capital Programme for the period 1 April to 30 September 2020 (Appendix A to the report);
- seek approval for a revised capital programme for 2020-21 to 2029-30 (Appendix B);
- note the projected Prudential and Other Indicators for 2020-21 (Appendix C)

She reminded Members, that on 26 February 2020, Council approved a capital programme covering the period 2020-21 to 2029-30 as part of the Medium Term Financial Strategy (MTFS). The capital programme was last updated and approved by Members on 22 July 2020. This report provided an update on the following areas:

- Capital Programme 2020-21 Quarter 2 update;
- Capital Programme 2020-21 Onwards;
- Prudential and Other Indicators;
- Capital Strategy monitoring

Turning to the Capital Programme, the Interim Chief Officer – Finance, Performance and Change, referred to paragraph 4.1 of the report. This section of the report provided Members with an update on the Council's capital programme for 2020-21 since the budget was last approved by Council and incorporates any new schemes and grant approvals. The revised programme for 2020-21 currently totals £53.541 million, of which £27.850 million is met from Bridgend County Borough Council (BCBC) resources, including capital receipts and revenue contributions from earmarked reserves, with the remaining £25.691 million coming from external resources, including General Capital Grant.

Table 1 in this section of the report, showed the capital programme for each Directorate from the July 2020 (Quarter 1) approved Council position to quarter 2.

Table 2, then summarised the current funding assumptions for the capital programme for 2020-21. The capital resources are managed to ensure that maximum financial benefit for the Council is achieved. This may include the re-alignment of funding to maximise government grants, she explained.

The Interim Chief Officer – Finance, Performance and Change, then referred to Appendix A of the report, which provided details of the individual schemes within the capital programme, showing the budget available in 2020-21 compared to the projected spend.

A number of schemes had already been identified as requiring slippage of budget to future years (2021-22 and beyond). At quarter 2 the total requested slippage was £13.875 million. Details of these schemes were shown at paragraph 4.4 of the report.

She advised that since the last capital report in July 2020, there have been a number of new externally funded schemes approved and internally funded schemes, which have been incorporated into the capital programme. These were included on page 123/124 of the report, with a Revised Capital Programme included at Appendix B (to the report).

In February 2020, Council approved the Capital Strategy for 2020-21, which included the Prudential Indicators 2020-21 to 2022-23 together with some local indicators.

Appendix C to the report, detailed the actual indicators for 2019-20, the estimated indicators for 2020-21 set out in the Council's Capital Strategy and the projected indicators for 2020-21 based on the revised Capital Programme. These showed that the Council is operating in line with the approved limits.

The Interim Chief Officer – Finance, Performance and Change concluded, by giving a short narrative on the Council's Capital Monitoring Strategy.

A Member noted from paragraph 4.5 of the report, that £0.5m had been set aside to replace some of the Council's Fleet, ie Council Wide Vehicles. He asked Officers if they were also considering providing Alternative Energy methods by which to operate some of its vehicles.

The Corporate Director – Communities, advised that BCBC had within the last couple of days, been in consultation with a Japanese company following a directive by Welsh and

Central Government for local authorities to consider adopting alternative energy sources not just for heating purposes, but for its transportation also.

Whilst electrically energised vehicles did not suit the topography of the BCB, hydrogen fuelled vehicles were an option for BCBC's HGV fleet and this would be actively looked at as part of future fleet provision proposals. It was also possible for the local authority to examine electrically charged vehicles for some of its smaller fleet, she added.

The Deputy Leader advised that this was the Capital programme update for the 2nd quarter of the Year. He pointed out that there was some slippage in respect of certain schemes, as identified in the report. The reasons these schemes had been delayed were beyond the control of the Authority he added, however the commitment was still there for these to be delivered.

He also welcomed the new grants received from Welsh Government towards Highway Improvements and the Active Travel Programme, as well as the financial support received, in order to convert 10 Affordable Homes in Bridgend into Commercial Units.

RESOLVED: That Council:

- noted the Council's capital programme update for 2020-21 for the period to 30 September 2020 (Appendix A to the report);
- approved the revised Capital Programme (Appendix B);
- noted the projected Prudential and Other Indicators for 2020-21 (Appendix C).

467. **INFORMATION REPORT FOR NOTING**

The Chief Officer Legal, HR and Regulatory Services and Monitoring Officer reported on the Information Report which had been published since the last meeting of Council.

RESOLVED: That Council acknowledged the publication of the document listed in the report.

468. **TO RECEIVE THE FOLLOWING QUESTION FROM:**

Councillor A Hussain to the Deputy Leader/Cabinet Member – Communities:

In UK about 11 billion wet wipes are used every year - causing 93 percent of blockage in UK sewers. In Wales, Welsh waters deals with around 2,000 sewer blockage every month and the major cause of which are wipes.

Knowing that 90 percent of wipes contain more than ¾ plastic and since we are doing well with our recycling waste collection, should we not be the first Council to introduce separate collection for these wet wipes as any other single use plastic?

Response:

Bridgend Council is already proudly amongst the top recycling authorities in Wales. Well ahead of the statutory 64% recycling target set by Welsh Government. Thanks to the public's commitment and engagement with our leading recycling service.

On the 1st April of 2024 two important milestones will be passed in terms of our waste and recycling services. Firstly the Welsh Government statutory recycling target will rise to 70% recycling and secondly, our current contract which defines our service collection methodology with Kier will expire.

Officers are already working on the options for the service post 2024, and over the coming months and years, engagement with council members and the public will be carried out to define the next phase of our service provision.

A process that will include reviewing strategically and holistically what the future range of materials we recycle is composed of. Ensuring we achieve maximum environmental benefit in a cost effective way. Guaranteeing that BCBC remains a leader in this field of protecting the environment and surpassing statutory targets.

With respect to the specific request to recycle wet wipes, whilst it is possible to recycle them (not with our normal kerbside plastic) but with our outlet for Absorbent Hygiene Products (AHP) who can take them from us, it is not recommended at this time.

In order to recycle the wet wipes the AHP service would need to be extended to all household to collect a relatively small extra tonnage of material separately. This would be both prohibitively expensive and questionable in terms of environmental benefit when taking into account the carbon impact of sending vehicles to every household for such limited quantities of recyclable material.

To summarise and conclude, we will continue to provide a market leading recycling service, actively promote and engage with the public in regards to the current service. Whilst undertaking a wholesale review of the provision in readiness for implementation of a revised collection regime in April 2024. Mid-term contract and service changes are not recommended.

Supplementary question from Councillor A Hussain

Wipes at present are either used for land fill or are incinerated which contributes to more carbon emissions and poor air quality than vehicular which is avoidable and let us hope and wait for our electric fleet for waste collection.

We are putting tea bags in our food waste bin as marked on our household food waste caddy, knowing that the skeleton left behind however is the non-biodegradable polypropylene (PP) and therefore not 100 per cent compostable. Should we allow this contamination which affects the quality of the compost, to continue?

Response

The Deputy Leader advised that the most important issue was trying to change the public's behaviour, by encouraging them not to buy wherever possible, anything that wasn't recyclable. He was aware of the tea bag issue in that some makes of these, came with a small level of plastic components in them. However, some were also completely compostable. Where the Council currently sends its compost for recycling, ie at the Kenning site, they were able to manage to take small particles of plastic out of those products that contained this however, and in turn, re-direct these for energy production.

Second supplementary question from Councillor B Sedgbeer

We need to encourage people more not to use or purchase items, including certain types of wipes and tea bags that contain plastic, as Councillor Hussain referred to in his above questions. She asked if the Cabinet could work with organisations, such as the Health Board and Early Years etc, in order to encourage the use of re-usable products such as wipes and nappies, so that any unnecessary plastic remnants in products such as these amongst others, was not contained in them from the outset when they are produced, as opposed to subsequently attempting to recycle such plastic material that may be contained within these items when they are initially produced.

Response

The Deputy Leader confirmed that he was a member of the Ministerial Programme Board that met on a quarterly basis with the Welsh Government Minister. He would raise this at the next meeting, as ideas how to better improve methods of recycling materials and to reduce the amount of waste that was fed into the main waste stream(s), were always looking to be improved.

Third supplementary question by Councillor PA Davies

The real issue was the production of items such as wet wipes in the first instance. Could the Council write to the UK Government asking Ministers to introduce legislation to stop the production of these that contain plastic in them.

Response

This suggestion was agreed to by assent.

469. **URGENT ITEMS**

The Mayor accepted the following question as an urgent item, in accordance with Part 4 (paragraph 4) of the Council Procedure Rules in the Constitution.

Question from Councillor MC Voisey to the Leader

Could the Leader outline the discussions he has had with the First Minister and other Welsh Government officials before the announcement of the 'circuit-breaker' lockdown. What evidence was he provided with to ensure that this was the only necessary course of action and does he support it?"

Response

All Leaders of local authorities in Wales met with the First Minister on 15 October 2020, regarding the above proposal. Similarly, all Leaders met with the Local Government Minister on 16 and 18 October. Welsh Government officials as they had made publically, then made a compelling case based on scientific and medical information produced by the Chief Scientific and Chief Medical Officer in Wales and following the holding of Covid-19 Specialist Advisory Groups that considered this information. The circuit-breaker decision was subsequently made, due to the increase in coronavirus cases across Wales, which confirmed in turn, that hospital admissions were rising and would continue to do so in the immediate future, if no action was taken. If no action had been taken, then a loss of further lives would have taken place, together with a risk of the NHS in Wales being overwhelmed by an increase in hospital admissions as a result of increased Covid-19 cases. This case was made to all Leaders of Welsh local authorities and the Leader confirmed, that he had not heard an alternative set of measures being proposed, including by an opposition party, to the one suggested by the First Minister. This action was required, in order to stem the rise and spread of Covid-19 cases within our Welsh communities. Our Instant Management Team, a Multi-Agency group for the Cwm Taf Morgannwg region, that includes Bridgend, Merthyr and Rhondda Cynon Taf local authorities, have agreed with the recommendation made by Welsh Government that urgent action is required at this time, in order to stem the tide of the virus in order to ensure any loss of life as a result of the pandemic, is as limited as possible.

Supplementary question from Councillor MC Voisey

The national lockdown will have the danger of damaging the economic and health wellbeing of more people, than the potential effects of Covid-19. I understand all 22 Local Authority leaders requested secondary schools remain open, and that greater use of regional lockdowns, in hot spots be used. Clearly your voices were ignored by the First Minister. We now have businesses like gyms (now open in Liverpool) important to

the wellbeing, physical and mental health of our citizens, closed, without evidence of them being of danger of spreading Covid, likewise hairdressers etc. When the two week lockdown is reviewed, what will you as Leader do to support the unheard voices of the people and businesses you represent, to ensure they get a fair hearing.

Response

The Leader stated that he was disappointed that the Councillor had not asked a similar question in the pre-Council briefing today, when experts such as Professor Nnoaham and Public Health Wales, were present there. He added that he shared the concerns regarding the impact the 'circuit breaker' would have on businesses. However, the Leader was pleased to note, that Welsh Government had announced an extra financial commitment of £200m for Welsh businesses, which he believed was the biggest support package delivered thus far across all of the UK and far larger than had been committed by the UK government, ie £65m for Greater Manchester. He acknowledged however, that there was still a need to ensure that the support was comprehensive and to this end, local authorities were continuing to work with Welsh Government regarding the finer detail of this funding. A bigger risk than that referred to in the supplementary question, would be that if Welsh Government hadn't acted now through the circuit breaker, there would be harsher and probably even longer restrictions facing the Welsh public and possibly these would have been extended over the Xmas period. This would have an even greater detrimental effect in terms of damage to the economy and businesses across the BCB. He felt that Members should recognise that any decisions that were made in relation to lockdown due to the pandemic, were very difficult to make and these would all to varying degrees result in a negative impact on both the public and the economy in local areas and/or in Wales as a whole. He felt that the most important thing was that Welsh Government had to act when it did, to stem the flow of the virus that was increasing throughout all areas of Wales and proving a danger to life.

Second supplementary question from Councillor S Baldwin

Could the Leader confirm, that throughout the detailed discussions Welsh local authority Leaders had with the First Minister regarding the circuit breaker lockdown, what opposition groups in Wales including in the Senydd, offered as an alternative course of action to this in the face of rising Covid-19 cases and the failing track and trace app.

Response

The Leader replied that he was unaware of any alternative proposals put forward as an alternative to the circuit breaker, by political groups other than Labour, though he was aware that Plaid Cymru supported Welsh Government's decision to introduce this, together with certain other Independent Leaders/ Members across Wales. However, the Leader reiterated, that the correct packages of support still needed to be put in place and local authorities were working with Welsh Government currently, in order to attempt to reach an agreement on how this could be best achieved.

The meeting closed at 17:30

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COUNCIL

18 NOVEMBER 2020

REPORT OF THE CHIEF EXECUTIVE

PRESENTATION BY THE POLICE AND CRIME COMMISSIONER AND THE CHIEF CONSTABLE OF SOUTH WALES POLICE & PROGRAMME OF FUTURE PRESENTATIONS TO COUNCIL

1. Purpose of report

- 1.1 The purpose of this report is to introduce a presentation to Council from the Police and Crime Commissioner and the Chief Constable of South Wales Police and to inform Members of the programme of future presentations to Council.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:-

Smarter use of resources – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1 Arrangements have been made for the Police and Crime Commissioner and the Chief Constable of South Wales Police to deliver a presentation to Council at the meeting on 18 November 2020.
- 3.2 The presentation will be on the topic of the Annual Plan and will be delivered to Council by the Police and Crime Commissioner and the Chief Constable of South Wales Police.

4. Current situation/proposal

- 4.1 Members are requested to receive the presentation by the Police and Crime Commissioner and the Chief Constable of South Wales Police.
- 4.2 A presentation will be made to the meeting of Council on 16 December 2020 by the Chief Executive and Chairperson of Cwm Taf Morgannwg University Health Board.

5. Effect upon policy framework and procedure rules

- 5.1 There is no effect upon the policy framework and procedure rules.

6. Equality Impact Assessment

6.1 There are no equality implications arising from this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8. Financial implications

8.1 There are no financial implications arising from this report.

9. Recommendation

9.1 That Members note the presentation by the Police and Crime Commissioner and the Chief Constable of South Wales Police.

9.2 That Members note the future presentation to the December meeting of Council as outlined at paragraph 4.2.

Mark Shephard
Chief Executive
6 November 2020

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Background Documents

None

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COUNCIL

18 NOVEMBER 2020

REPORT OF THE CORPORATE DIRECTOR COMMUNITIES

ENDORSEMENT OF REGIONAL TECHNICAL STATEMENT 2020

1. Purpose of report

- 1.1 The purpose of this report is to seek endorsement of the Regional Technical Statement in order to meet the requirements of National Planning Policy and agree the progression of the Statement of Sub-Regional Collaboration (SSRC).

2. Connection to corporate well-being objectives / other corporate priorities

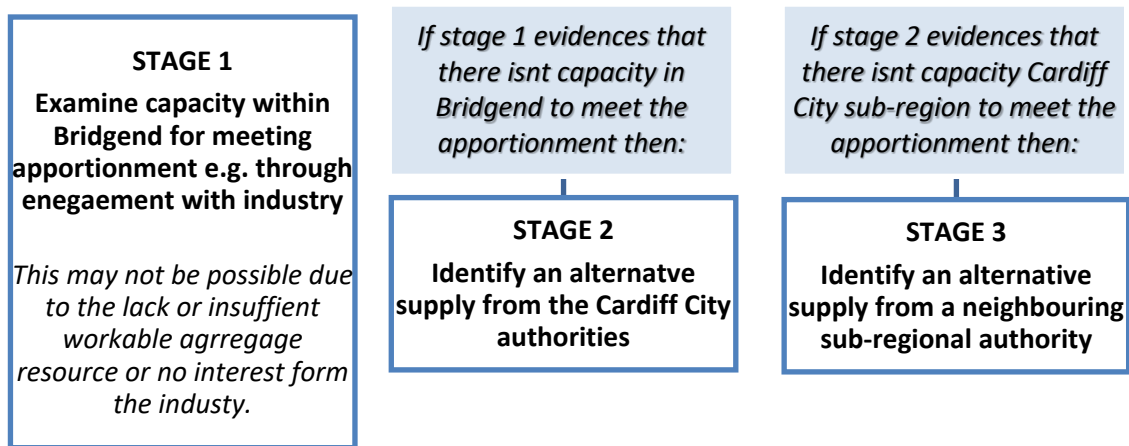
- 2.1 This report assists in the achievement of the following corporate well-being /objectives under the **Well-being of Future Generations (Wales) Act 2015:-**

1. **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focussed on raising the skills, qualifications and ambitions for all people in the county borough.
2. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1 Minerals Technical Advice Note 1: Aggregates (2004) (MTAN 1) requires the preparation of Regional Technical Statements (RTS) for the areas covered by both the South Wales and North Wales Regional Aggregates Working Parties (RAWPs). The original RTS documents for both regions were completed in 2008 and are required, by MTAN 1, to be reviewed every five years. The First Review was undertaken in 2013/2014 and this, the Second Review, which commenced in 2018.
- 3.2 The methodology used in the previous (First) Review, in 2014, had been based primarily on historical sales averages, combined with an assessment of the various 'drivers' of potential future change. For the Second Review, this has been combined with an attempt to reflect planned future requirements for housing construction activity, and to avoid perpetuating historical supply patterns in areas where there is scope to encourage more sustainable patterns of supply.
- 3.3 The change in methodology means that Bridgend is required, through its Local Development Plan process, to meet the apportionment set out in the RTS. For

Bridgend this requirement is set at 17.471MT of crushed rock for the LDP period. An explanation of the calculations are set out in section 4. The authority currently has zero existing landbanks for sand & gravel and 27.27MT for crushed rock (as at 31st December). The RTS requires the apportionment to be met through the allocation of Specific Sites or, failing that, Preferred Areas. If, as a last resort, it is only possible to identify broad Areas of Search, these should be sufficient to offer the potential of much greater quantities of reserves, in order to reflect the uncertainties involved. If it is not possible for Bridgend to meet this requirement then a sub-regional approach is required. Bridgend has been grouped with Cardiff, the Vale of Glamorgan, Rhondda Cynon Taf, Merthyr Tydfil, Caerphilly and the Brecon Beacons National Park. To satisfy this requirement several stages will need to be undertaken, set out in figure 1, the outcome of which is a Statement of Sub-Regional Collaboration.



A Statement of Sub Regional Collaboration is required to be prepared by the Cardiff City Authorities as part of the evidence base needed to support each Local Development Plan (LDP). The timescale for preparing SSRCs will need to be geared towards the timescale for the earliest LDP submission within that sub-region. The purpose of the SSRC is to confirm that all constituent Local Planning Authorities within a particular RTS sub-region accept the individual apportionments for aggregates for their individual Authority areas, as set in the latest Review of the RTS, and that (*as a minimum*) the RTS requirements for that sub-region as a whole will therefore be met.

If a SSRC cannot be achieved this will have a serious impact on the progression of the Local Development Plan for each authority area because the requirements of National Policy have not been met. The Welsh Government will, can as a last resort, consider its default powers to intervene in the Development Plan process (MTAN 1, paragraph A3).

4. Current situation/proposal

4.1 The calculation of the apportionments set out in the RTS followed a four-stage process. Each stage and its relevance to Bridgend is set out below:

- 4.2 **Stage 1 – Setting the national level for future aggregates provision.** According to Welsh statistics there is a high degree of correlation between housing completions and aggregate sales. Statistics show that housing accounts for approximately 30% by value of all new construction. At a national level, therefore, and on the basis of being consistent in terms of planned provision for both housing and aggregates, it was agreed that the provision required for aggregates should be guided by a 30% uplift on historical sales figures.

The National Figure is 20.224 Million Tonnes Per Annum (MTPA)

- 4.3 **Stage 2 – Calculation of the regional split between North and South Wales.** The national figure, set out in stage one, is split between North and South Wales. This split is based on the historical sales, that is 38% North Wales and 62% South Wales.

The South Wales figure is 12.486MTPA.

- 4.4 **Stage 3 – Calculation of Sub-Regional and LPA apportionments.** South Wales has been split into seven sub-regions which reflect distinct market areas, between which there is relatively little movement of aggregate. The percentage of historic sales and house build rates for each authority provides the basis for the LPA apportionment. For Bridgend this meant that the average historic sales was 0.600mtpa and the average housing completions over the baseline period (2007-2016) was 365 units pa which makes up 10.47% of the sub-regions supply. This resulted in an annualised apportionment of 0.601mtpa. The combination of the sales and house build rates meant that the preferred annualised apportionment is 0.699mtpa.

The LPA apportionment is 0.6.99MTPA.

- 4.5 **Stage 4 – Sand and gravel and crushed rock total apportionment.** This final stage took the figures calculated in stage 3 and multiplied them by the number of years required (25 years for crushed rock) for the LDP allocation. The total requirement is for 17.471MT of crushed rock. Bridgend has a surplus of existing permitted reserves (27.27MT) to put towards this requirement, therefore no further allocations for future working are required to be identified within the LDP. There is no requirement for sand & gravel.

Bridgend apportionment for allocation in the LDP is 17.471 MTP of crushed rock.

Additional Impacts

- 4.6 In addition to the SSRC the Bridgend LDP will also need to safeguard primary aggregate resources. This will mean that relevant resources of both crushed rock aggregates and land-based sand & gravel should be safeguarded within the LDP, in accordance with detailed advice based on the use of British Geological Survey mapping.

4.7 The LDP will also need to safeguard railheads in order to provide a full range of sustainable transport options (whether or not they are currently utilised).

5. Effect upon policy framework and procedure rules

5.1 The Planning and Compulsory Purchase Act 2004 and regulations of the Town and Country Planning (Local Development Plan) (Wales) Regulations 2005 requires that a Local Planning Authority must commence a full Review of its LDP every 4 years.

6. Equality Impact Assessment

6.1 There are no direct implications associated with this report. The RTS has been developed through a series of consultation events and processes which was open to anyone with an interest.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 The Well-being and Future Generations (Wales) Act seeks to improve the social, economic, environmental and cultural well-being of Wales. Public bodies should ensure that decisions take into account the impact they could have on people living in Wales, in the future. It should be noted that the planning system is central to achieving sustainable development and the five ways of working are an intrinsic part of the planning system. The RTS is clear in its overarching objective to ensure sustainability is at the heart of all future mineral planning in Wales. The 5 main considerations of the WBFG Act are set out below with an explanation of how this work meets their objective:

Long term: The RTS sets out the nationally approved approach for sustainable management of aggregate resource over at least a 25 year period. The RTS is subject to review every 5years to ensure it can react to any significant change in circumstances.

Prevention: The aim of the RTS and indeed the LDP which this report influences, is to create sustainable places by influencing a future supply of aggregate in the most sustainable manner.

Integration: The RTS is required by Welsh Government Planning Policy and is one aspect that the LDP will have to meet. The RTS take into account changes in approach and policy requirements and this is reflected in the reviewed methodology.

Collaboration: The RTS will require Bridgend to work within a sub-region of the Cardiff City authorities. This regional work will provide part of the evidence base and influence the policy outcomes for Bridgend e.g. meeting the requirements of Planning Policy Wales. This work has been undertaken in collaboration with the mineral industry and other groups including natural resources Wales. This collaborative approach will be continued in the work to fulfil the requirements of the RTS.

Involvement: The endorsement of the RTS will finalise the process that has seen involvement from technical and non-technical stakeholders. The resultant work will require input from those affected by the

requirements including neighbouring authorities, the mineral industry and through the Local Development Plan process.

8. Financial implications

- 8.1 Endorsement of the RTS does not have a financial cost to the authority. The work associated with the RTS will however require further workstreams which will be funded through the Local Development Plan process.

9. Recommendation

- 9.1 That Council endorses the Regional Technical Statement.

Janine Nightingale
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18th November 2020

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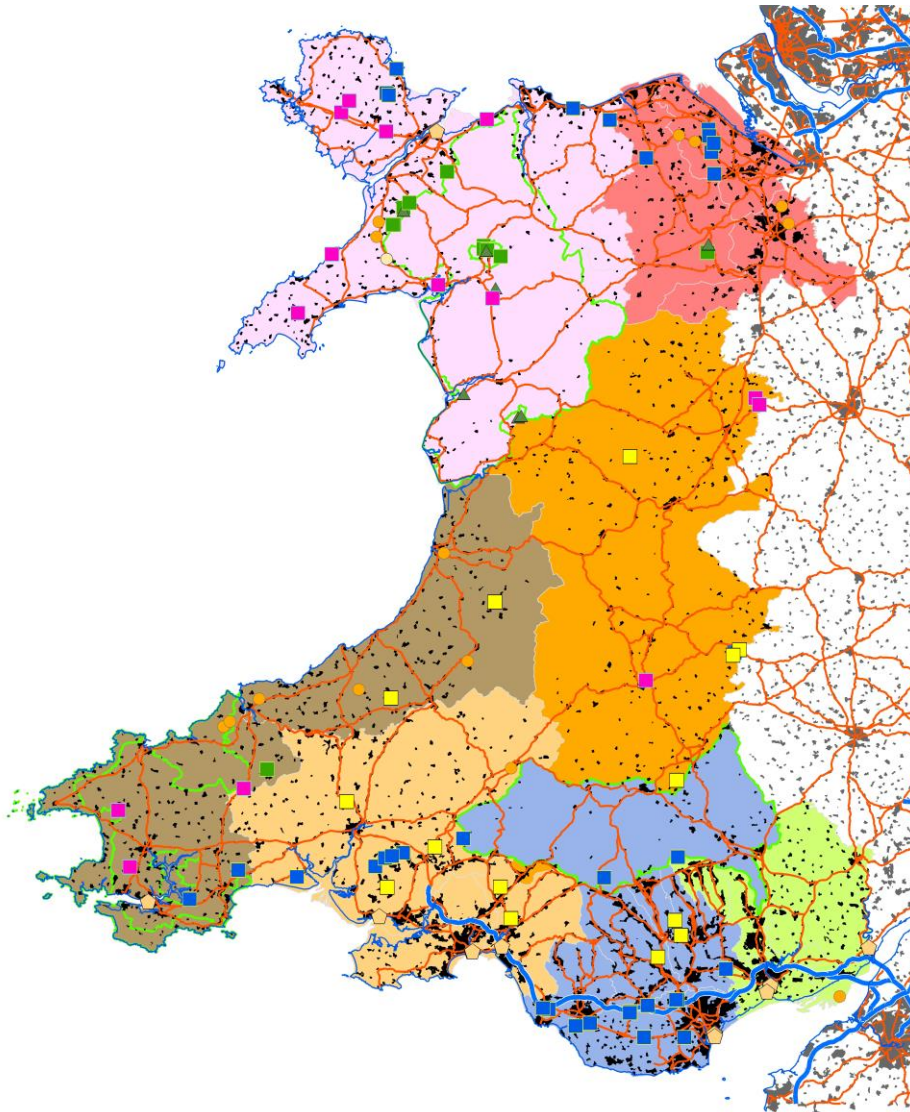
None.

Regional Technical Statements

for the North Wales and South Wales

Regional Aggregate Working Parties

- 2nd Review - (Main Document)



Final - September 2020

North Wales
Regional
Aggregates
Working Party



Llywodraeth Cymru
Welsh Government

South Wales
Regional
Aggregates
Working Party

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Prepared, on behalf of the Welsh Government and the North Wales and South Wales Regional Aggregate Working Parties

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Foreword

Since the original Regional Technical Statements (RTS) were issued in October 2008, forward planning for minerals has formed an intrinsic part of the Local Development Plan (LDP) process. The LDPs have benefited from the clear direction the RTS has provided on the sustainable approach to mineral development in Wales. There is almost full LDP coverage and all have embraced the principal objectives of the RTS to provide adequate reserves of aggregate for the construction and other industries in the most sustainable manner reasonably achievable.

It is particularly satisfying to see certain elements of the RTS, such as the safeguarding of mineral resources, now enshrined in development plans to ensure such resources are protected for future generations. More importantly, new allocations, defined areas of search and preferred areas have also been incorporated into some LDPs.

As was the case with the First Review of the RTS, this Second Review has been prepared, on behalf of the North Wales and South Wales RAWPs, by Cuesta Consulting Ltd., with advice and peer review from a Steering Group which included representatives from both Regional Aggregate Working Parties (RAWPs), the Mineral Products Association and industry, Natural Resources Wales, officers from local government and the Welsh Government. The Steering Group provided vital technical information, updating and refining that given in previously published RAWP reports and in the original Regional Technical Statements. The Steering Group also provided or confirmed expert judgement, where this was called for in situations where precise factual detail was not available, and has provided a consensus endorsement of the various recommendations.

The Second Review RTS covers the 25 year period up to 2041, but further reviews will still be initiated every 5 years, in accordance with MTAN1, to ensure that the RTS can react to any significant change in circumstances. This will ensure that any major changes to supply and demand can be addressed and the RTS changed or modified as appropriate. This process underpins the plan, monitor and manage approach to aggregate planning in the UK. The new edition will continue to be considered as a strategic document for the purposes of Development Plan preparation and may be a material consideration when determining planning applications. We remain confident that all authorities will continue to embrace and implement the recommendations of the revised RTS in their development plans on a voluntary basis, and that Welsh Government (WG) will not need to have recourse to its powers of direction.

We would like to take this opportunity to gratefully acknowledge the considerable amount of work that has been undertaken to complete the Second Review, which includes the significant efforts of the RTS steering group and the diligent work of the consultant appointed to undertake and complete the work on schedule on behalf of the Welsh Government, and the participation of key stakeholders.

The Second Review has built on the foundation of the original RTS and the First Review and has been further refined and now offers greater clarity and is more concise. Most importantly, it provides a strong and improved statement of the desire to ensure that sustainability is at the heart of all future mineral planning in Wales.

Llinos Quelch

Chair of the South Wales Regional Aggregates Working Party.

Andrew Farrow

Chair of the North Wales Regional Aggregates Working Party.

Date 22nd July 2020

Statement from the Minister for Energy, Planning & Rural Affairs

To be Added.

Executive Summary

Minerals Technical Advice Note 1: Aggregates (2004) (MTAN 1) requires the preparation of Regional Technical Statements (RTS) for the areas covered by both the South Wales and North Wales Regional Aggregates Working Parties (RAWPs). Whereas MTAN1 develops the national policy set out originally in Minerals Planning Policy Wales (now part of Planning Policy Wales - PPW), the RTS provides the supporting detail which allows this to be implemented.

The original RTS documents for both regions were completed in 2008 and are required, by MTAN 1, to be reviewed every five years. The First Review was undertaken in 2013/2014 and this, the Second Review, commenced in 2018.

In contrast with the former guidelines for aggregate provision issued for England and Wales, prior to devolution, the RTS process has always avoided any attempt to make detailed forecasts of future demand based on econometric modelling. In the past, these had been found to be unreliable and were criticised for their lack of transparency. Instead, a series of alternative approaches have been used in Wales and each 5-yearly review of the RTS provides opportunities for further refinement.

The methodology used in the previous (First) Review, in 2014, had been based primarily on historical sales averages, combined with an assessment of the various 'drivers' of potential future change. For the Second Review, this has been combined with an attempt to reflect *planned* future requirements for housing construction activity, and to avoid perpetuating historical supply patterns in areas where there is scope to encourage more sustainable patterns of supply. Data used for this purpose have been the housing requirement figures established for existing, adopted, Local Development Plans (LDPs) for each individual Local Planning Authority (LPA). Given that LDP progress has varied from one authority to another, some of the earlier figures are now several years old, but all of them were valid for (or beyond) the 'baseline' period (2007 – 2016) covered by this Review. The Steering Group considered that these were the best available consistent source of data for this purpose, with the benefit of having been scrutinised by Inspectors at individual LDP Examinations.

A key factor in the new methodology has been recognition that these housing requirements, in all Local Authority areas in Wales, are more than double the average levels of house completions seen over the last 10 years, and that a corresponding increase in the planned provision of construction materials associated with house construction should therefore be allowed for. This is not necessarily a prediction of future demand, since the housing figures set out in adopted Development Plans will only materialise if economic conditions allow. There is, however, a clear logic in land use planning terms in linking the planned provision of aggregates with that for housing, to ensure that housing plans are not thwarted by an under-provision of aggregates.

Of course, housing accounts for only part of overall construction activity. At a national scale, however, Welsh statistics have revealed a very high degree of correlation between housing completions and aggregate sales. Other statistics (for Great Britain as a whole) show that housing accounts for approximately 30% by value of all new construction. Putting both of these observations together, the implication is that a doubling of house construction would

necessitate a doubling of that 30% element of aggregate sales. At a national level, therefore, and on the basis of being consistent in terms of planned provision for both housing and aggregates, the RTS Steering Group¹ agreed that the provision required for aggregates should be guided by a 30% uplift on historical sales figures.

A further consideration agreed by the Steering Group was that the historical sales figures should reflect, not just the 10-year average (as had been used in the First Review, and as required by the NPPF, in England), but the highest of the 10-year and 3-year averages for each individual LPA. This reflects the fact that in some parts of Wales – notably in the Cardiff City Region – there has been a marked upsurge in construction activity in recent years, and a corresponding growth in aggregate sales.

In **STAGE 1** of the RTS process, the 30% uplift is applied to this composite historical sales figure to obtain an overall **National Guideline** figure for future aggregate production. The uplift is applied only at the national level, because the relationship between construction activity and aggregate sales breaks down at more detailed levels (this being primarily because of the spatial differences between areas of supply and demand).

In **STAGE 2** of the process, the National figure is broken down into two **Regional Guideline** figures (based simply on the historical split of total land-won primary aggregate sales between North and South Wales, which has remained reasonably consistent over many years).

In **STAGE 3**, the regional figures are then apportioned between a series of seven '**sub-regions**', as shown below and, *provided that it is feasible to do so*, between each of the constituent Local Planning Authorities (LPAs). The sub-regions were created, at Welsh Government's suggestion, for the specific purpose of facilitating strategic minerals planning and collaborative approaches between LPAs. They each represent distinctive 'market areas' between which there is relatively little movement of aggregates, except for exports to England, and within which detailed, strategic consideration can be given as to the most appropriate patterns of supply.

In most cases, the distribution of apportionments within each sub-region is achieved through a combination of quantitative and qualitative judgements, exercised by the RTS Steering Group and facilitated by the appointed consultant. The judgements seek to reflect the Steering Group's collective understanding of market requirements (reflecting both historical sales and the distribution of planned housing activity) together with considerations of existing landbanks, the proximity principle and environmental capacity.

In the final **STAGE 4** of the process, the total apportionments for each LPA are separated into figures for sand & gravel and crushed rock production (based on historical sales proportions in each LPA). Those figures are then multiplied by the number of years required (22 years for sand & gravel, and 25 years for crushed rock) to obtain the total provision required, in millions of tonnes. Comparison of those figures with existing landbanks and existing unworked

¹ comprising Welsh Government, the two RAWP secretaries, National Resources Wales, the Mineral Products Association, the British Aggregates Association and representatives of one local authority from each Region.

allocations then determines the extent to which any new permissions and/or allocations for future working are required within each authority.

The outcome of this exercise has been a deliberate attempt to control, and in some cases to modify, the future pattern of supply of land-won primary aggregates in Wales, in line with sustainability principles. In a small number of areas, notably where there has been no production of land-won aggregates for many years, with no permitted reserves and zero apportionments, the Steering Group accepted that there may be insufficient evidence, at present, to determine the precise levels of apportionment and resulting allocations required for individual LPAs. In such cases, more detailed analysis will be required, at the local level, through collaboration between adjoining LPAs and consultation with industry, in order to confirm realistic figures for those particular LPAs and (*in exceptional circumstances*) to consider the possibility of alternative patterns of supply within the sub-region concerned.

To this end (and more generally, to ensure that the regional and sub-regional totals recommended by the RTS are achieved), this Review introduces a requirement for all LPAs within each sub-region to produce Statements of Sub-Regional Collaboration (SSRCs), in consultation with industry, through the RAWPs, prior to the Examination of any individual LDP within that area. Specific guidelines relating to the preparation of SSRCs, including details of the circumstances under which alternative patterns of supply may be justified, are provided at Annex A of this document.

More generally, it must be emphasised that the RTS recommendations are intended to be of a **strategic** nature. The recommendations do not provide site-specific information or guidance. It is for the individual LPAs to determine how the strategic requirements identified in the new RTS should be met within their areas. This includes identifying the size and location of new allocations (where these are required by the RTS or, in some cases, by other local factors), and setting out corresponding policies within their LDPs to guide the Development Management process for future mineral extraction.

Moreover, where it is justified by new (e.g. more up to date, more detailed or more precise) evidence, it is open for individual LPAs to depart from the apportionment and allocation figures recommended by the RTS when preparing their LDP policies. In doing so, however, 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 within the same sub-region to ensure that sub-regional and regional totals are still achieved) and this would need to be reflected in the SSRC agreed with all other constituent LPAs within that sub-region, prior to Examination.

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

1. The Purpose and Objectives of the RTS

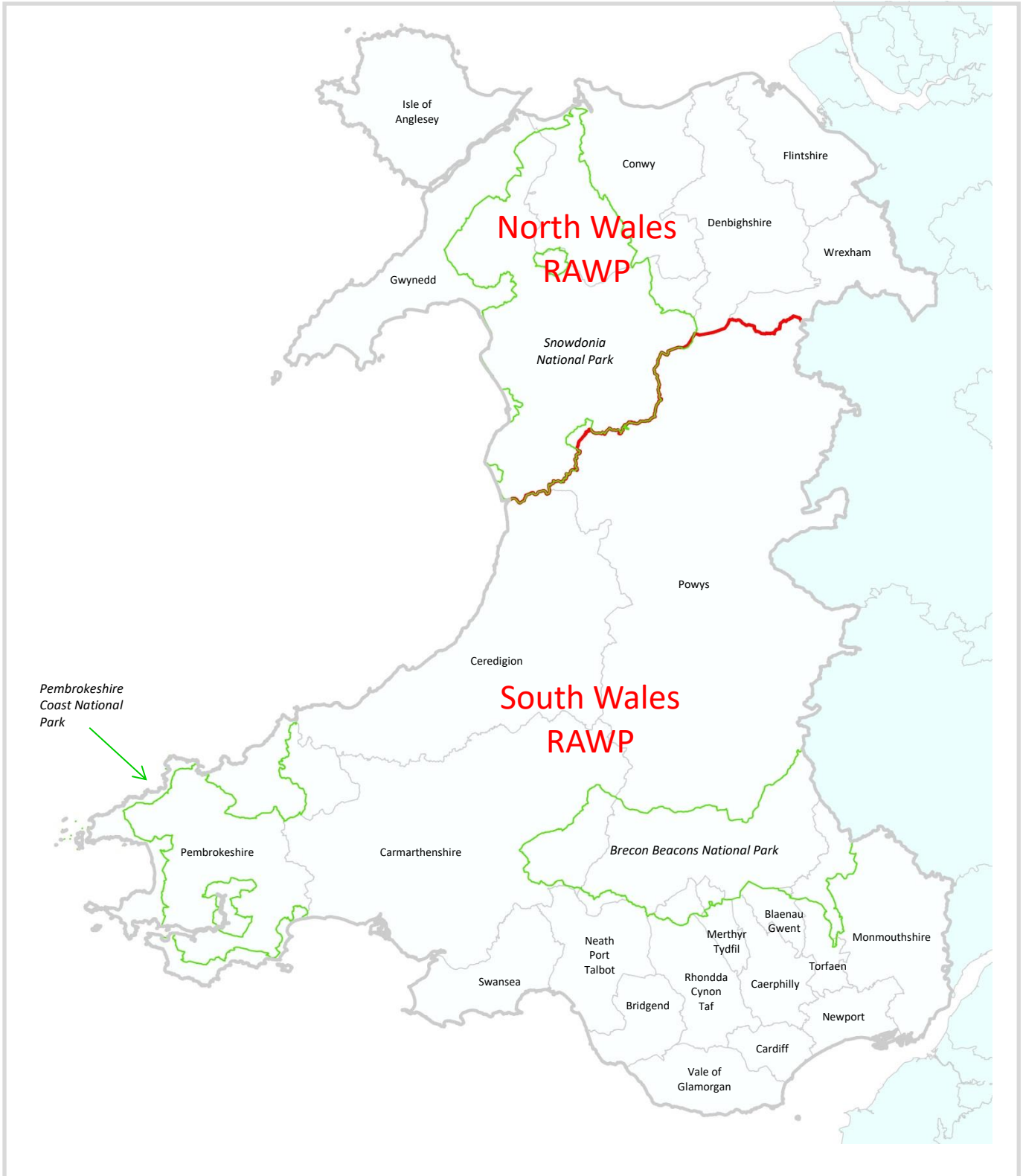
Introduction

- 1.1 Minerals Technical Advice Note 1: Aggregates (2004) (MTAN 1) requires the preparation of Regional Technical Statements (RTS) for the areas covered by both the South Wales and North Wales Regional Aggregates Working Parties (RAWPs) – as shown in Figure 1.1, below. The original RTS documents for both regions were completed in 2008 and are required, by MTAN 1, to be reviewed every five years. The First Review was undertaken in 2013/2014 and this, the Second Review, commenced in 2018.
- 1.2 The Review comprises this main document and the Regional Appendices for North Wales and South Wales, which are issued separately. The two components of the new RTS for each Region (i.e. the main document and the relevant Appendix) are intended to provide a strategy for the future supply of construction aggregates within that Region, taking account of the latest available information regarding the balance of supply and demand, and current notions of sustainability (see below). Together, the two revised RTSs aim to ensure that an adequate and steady supply of aggregates can be maintained throughout Wales (and beyond, in the case of materials that are exported), taking into account the key objectives of sustainable supply outlined in MTAN 1.

Policy Context and Sustainability Objectives

- 1.3 Since the First Review of the RTS was completed in 2014, there have been some important changes in National legislation and Policy within Wales which have a bearing on mineral development. MTAN 1 – and thus the requirement for Regional Technical Statements to be produced and periodically updated – remains extant, but the former Minerals Planning Policy Wales (MPPW) is now subsumed within Planning Policy Wales (PPW), which itself has been updated several times in response to changing legislation and other factors.
- 1.4 The most significant legislative change since 2014 has been the **Well-being of Future Generations (Wales) Act 2015**. This places a statutory duty on public bodies in Wales to consider sustainable development in their decision-making. Whilst sustainability has been at the heart of PPW since it was first published in 2002, the concept has been expanded so that it now incorporates, more explicitly, cultural heritage and well-being.
- 1.5 ***Sustainable Development*** (in Wales) is now defined, by the 2015 Act, as meaning: *“the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the well-being goals”*.
- 1.6 This is linked to the more traditional definition by the explanation that: *“Acting in accordance with the sustainable development principle means that a body must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs”*.

Figure 1.1: The Distribution of Local Planning Authorities (LPAs) between the two Regional Aggregate Working Parties (RAWPs) in Wales



- 1.7 The 2015 Act requires public bodies to set out plans as to how they will take decisions in order to meet seven well-being goals that are set out in law. These relate to **prosperity, resilience, health, equality, community cohesion, vibrant culture** (including a thriving Welsh language) and **global responsibility**.
- 1.8 The Act also outlines five ways of working which authorities need to demonstrate they have carried out in undertaking their sustainable development duty. These require consideration to be given to **long term** visions; the **prevention** of adverse impacts; the **integration** of policies to promote balanced decision-making; **collaboration** between public bodies and the private and third sectors; and the built-in **involvement** of the public and stakeholders in the planning system through statutory consultation and engagement. The Regional Technical Statements have always reflected all five of these ways of working, with the concepts of policy integration and collaborative working being enhanced further still in this Review.
- 1.9 In 2018, the Welsh Government updated **Planning Policy Wales** to assist in the delivery of the new act through the planning system. The latest version (Edition 10) was published in December 2018. This introduced five new Key Planning Principles linked variously to the five ways of working. One of these: **Making the Best Use of Resources**, is clearly of direct relevance to mineral planning and thus to the Regional Technical Statements. This principle is explicitly linked, in PPW, to the concept of maintaining a 'long-term' vision with regard to climate change, decarbonisation and the circular economy. The Proximity Principle, which plays an important role in the RTS methodology, is highlighted as a means of ensuring that problems are solved locally rather than passing them on to other places or future generations, and so that the use of land and other resources are sustainable in the long term.
- 1.10 The fifth key planning principle: **Maximising Environmental Protection and Limiting Environmental Impact** is also of direct relevance. This refers explicitly to the need for respecting environmental limits (thereby supporting the notion of Environmental Capacity as used within the RTS). It also highlights the importance of the precautionary principle in ensuring that cost-effective measures to prevent possibly serious environmental damage are not postponed just because of uncertainty regarding the seriousness of potential risks. Whilst this is not explicitly part of the RTS process, it may nevertheless have a bearing on the spatial planning of future allocations.
- 1.11 Specific **minerals planning policies** are now incorporated within PPW (in paragraphs 5.14.1 to 5.14.57), rather than being in the separate Minerals Planning Policy Wales document, as had previously been the case (before 2016). Although the sequence and structure of these policies has been modified, not least to embrace certain aspects of the cultural environment now included within the definition of sustainable development, there are no significant changes in policy requirements that have a bearing on the present Review.
- 1.12 In this regard it is worth noting that one change, which had been introduced in versions 8 and 9 of PPW, has been reversed in the latest edition. This relates to the treatment of Sites of Special Scientific Interest (SSSIs) and National Nature Reserves

(NNRs). In versions 8 and 9 of PPW, these areas were included, along with National Parks and Areas of Outstanding Natural Beauty, as locations where minerals development should not take place, save in exceptional circumstances (whereas previously, in MPPW, that had not been the case). Version 10 has reversed that change, so that SSSIs and NNRs are now included (along with SPAs, SACs and Ramsar sites) within para. 5.14.37, where the requirement is for proposals to be ‘carefully examined’, rather than in para. 5.14.35, which retains the ‘exceptional circumstances’ test. Had this not been reversed, it would have had major implications on the allocation of sites for future working – significantly reducing the scope for finding such sites in areas where the available geological resources are highly constrained.

- 1.13 Overall, the new PPW changes nothing with regard to the RTS process, other than reinforcing the principles which are already enshrined within it.
- 1.14 **The Environment (Wales) Act 2016** introduced the Sustainable Management of Natural Resources (SNMR) and set out a framework to achieve this as part decision-making. The main objective is to maintain and enhance the resilience of ecosystems and the benefits they provide.
- 1.15 The Act requires the Welsh Government to prepare, publish and implement a statutory **Natural Resources Policy** (NRP) setting out its priorities in relation to the sustainable management of natural resources, while Natural Resources Wales (NRW) is required to produce a ‘**State of Natural Resources Report**’ and to prepare ‘**Area Statements**’ to inform place-based action.
- 1.16 The NRP sets out three National Priorities, linked directly to achieving goals within the Well-being of Future Generations (Wales) Act. These are: **delivering nature-based solutions; increasing renewable energy and resource efficiency; and taking a place-based approach.**
- 1.17 The first of these focuses on maintaining and enhancing the ecosystem services derived from natural resources. As well as the more obvious biodiversity-related resources, these include services associated with both mineral extraction and the restoration of former mineral workings. Though not mentioned in the NRP, these are examined in detail in reports for Natural England and Defra on an ecosystems approach to long-term mineral planning in the Mendip Hills (Thompson & Birch 2009; Thompson *et al.* 2010). Ecosystem services have an important bearing on site-specific aspects of mineral development, though probably not at the more strategic regional level being considered within the RTS.
- 1.18 Minerals are more explicitly noted in relation to the second priority (resource efficiency), both in relation to the promotion of recycled and secondary aggregates and the optimal utilisation of primary aggregates. These imperatives are already enshrined within the minerals policies of PPW, however, and are therefore fully incorporated in the methodology for producing apportionments within the RTS.

- 1.19 The third priority – taking a place-based approach – can also be very applicable to mineral development (e.g. through community involvement in planning decisions and restoration proposals). By definition, however, this again is a site-specific issue and is not something which can be addressed at the wider strategic level of the RTS.
- 1.20 It is concluded that, as with the Well-being of Future Generations (Wales) Act 2015 and the revision of PPW, the Environment (Wales) Act 2016 appears to reinforce the principles already enshrined within the RTS process, without imposing any new or different requirements.
- 1.21 In line with those requirements, ***the overarching objective in planning for aggregates provision***, as set out in paragraph 7 of MTAN1 is “*to ensure supply is managed in a sustainable way so that the best balance between environmental, economic and social considerations is struck, while making sure that the environmental and amenity impacts of any necessary extraction are kept to a level that avoids causing demonstrable harm to interests of acknowledged importance*”.
- 1.22 Subsidiary objectives in paragraph 29 of MTAN1, which relate to delivering a more sustainable pattern of supply include:
- examining very carefully existing (permitted) reserves on a national and regional basis to see if they are adequate in the short, medium and long term;
 - only granting permission for future extraction to take place in the most environmentally acceptable locations, in accord with development plans that are informed by the Regional Technical Statement which in turn is based on the environmental capacity assessment;
 - actively reducing the proportion of primary aggregates used in relation to secondary, recycled or waste materials;
 - minimising the transportation of aggregates by road;
 - seeking self-sufficiency within regions, thereby avoiding the need to transfer the environmental costs of aggregates extraction to other areas; and
 - careful and continual assessment of existing and anticipated future exports of aggregates to areas outside Wales (in consultation with those importing regions outside Wales) to determine whether that supply is the best environmental and practicable option for all.
- 1.23 These various objectives, combined with the increased emphasis on collaborative, sub-regional working embedded within this 2nd Review, are fully in line with the Sustainable Management of Natural Resources principles enshrined within the Environment (Wales) Act 2016.

The Scope and Purpose of RTS Recommendations

- 1.24 Each RTS Review provides a mechanism for encouraging the national sustainability objectives relating to minerals to be met by the individual Local Planning Authorities (LPAs) within each Region over a period of up to 25 years (for crushed rock) or 22 years, in the case of land-based sand & gravel (sufficient to cover the MTAN1 requirements for maintaining minimum landbanks of 10 years and 7 years,

respectively, throughout the full 15-year term of each LDP). In the case of Cardiff, which has a 20-year Plan Period, these durations are increased to 30 years (for crushed rock) and 27 years for sand & gravel.

- 1.25 The RTS provides specific recommendations to the constituent LPAs regarding the quantities of aggregate which need to be supplied from each area (**apportionments**) and the nature and size of any **allocations** which may need to be made in their Local Development Plan (LDP) to ensure that adequate provision is maintained throughout the relevant Plan Period. In this Review, the basic recommendations are set out within this document with further details being given in the Regional Appendices.
- 1.26 Paragraph 50 of MTAN1 specifically requires the relevant parts of the RTS strategy (principally, the RTS apportionments and allocation requirements) to be incorporated into individual LDPs. In the present Review, however, apportionment figures are also identified for sub-regional groupings of LPAs and, in a small number of cases, the requirements for individual LPAs within those areas may need to be adjusted, subject to more detailed investigation by the LPAs involved and to industry responses to future calls for sites. Further details of the sub-regional groupings and the apportionment methodology are set out in Chapter Five of this Review.
- 1.27 *In exceptional circumstances*, sub-regional analysis may result in the possibility of alternative patterns of supply being considered within a particular sub-region. In order to facilitate this, and to ensure that the regional and sub-regional totals recommended by the RTS are achieved, this Review introduces a requirement for all LPAs within each sub-region to produce Statements of Sub-Regional Collaboration (SSRCs), in consultation with industry, prior to the Examination of any individual LDP within that area. Specific guidelines relating to the preparation of SSRCs, including of the circumstances under which alternative patterns of supply may be justified, are provided at Annex A of this document.
- 1.28 It must be emphasised that the RTS recommendations are intended to be of a **strategic** nature. The recommendations do not provide site-specific information or guidance. It is for the individual LPAs to determine how the strategic requirements identified in the new RTS should be met within their areas. This includes identifying the size and locations of new allocations (where these are required by the RTS or, in some cases, by other local factors), and setting out corresponding policies within their LDPs to guide the Development Management process for future mineral extraction.
- 1.29 Moreover, where it is justified by new (e.g. more up to date, more detailed or more precise) evidence, it is open for individual LPAs to depart from the apportionment and allocation figures recommended by the RTS when preparing their LDP policies. In doing so, however, 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 within the same sub-region to ensure that sub-regional and regional totals are still achieved) and this would need to be reflected in

the SSRC agreed with all other constituent LPAS within that sub-region, prior to Examination.

- 1.30 MTAN 1, paragraph A3, notes that *“If the local authorities reach no agreement or if individual local authorities do not accept the Regional Technical Statement, the Welsh Assembly Government will consider its default powers to intervene in the planning process as a last resort”*.
- 1.31 For each Region, Sub-region and individual LPA, the RTS recommendations are informed by the analysis of:
- available resources, permitted reserves, sales and landbanks of primary land-won aggregates;
 - the availability and supply of marine, secondary and recycled materials;
 - levels of demand upon the region for the supply of aggregates, including exports;
 - levels of imports of aggregate into the region;
 - the proximity principle, in relation to the transportation of aggregates; and
 - the environmental capacity of areas to accept the impacts of future quarrying
- 1.32 Further details of the key principles and approaches used within this analysis are set out in the next chapter.

Aims and Objectives of the RTS 2nd Review

- 1.33 The Welsh Government’s **aims** of the 2nd Review have been:
- (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
- 1.34 These are precisely the same as the aims for the 1st Review.
- 1.35 The **guiding principles** for the review (changed only very slightly from those relating to the 1st Review) were identified by Welsh Government as follows:
- (i) *The RTS will be reviewed at 5-year intervals, in line with policy, with a second review to be completed in 2019. The plan period for each RTS will be 25/22 years;*
 - (ii) *To utilise data for the latest year for which information is available as baseline information for the purposes of the review;*
 - (iii) *To have regard to recent research which may identify any issues that need to be covered in the review;*
 - (iv) *The review itself needs to be transparent, engage appropriate stakeholders but recognise that the exercise is largely technical and aimed at providing*

information and evidence to be utilised in planning processes and therefore consultation and governance should be proportionate,

- (v) *The review will result in an updated statement for each region which is clear, concise and user friendly;*
- (vi) *Recognise that WG is supportive of collaboration between authorities in negotiating how need, as represented by RTS apportionments, is met, if appropriate;*
- (vii) *The reviews will not start from scratch but will build on the current RTS documents.*

1.36 In order to consider what further adjustments might be needed to the guiding principles and/or the methodology to be used, an RTS Technical Group was convened by the South Wales and North Wales RAWPs. Following internal consultation among RAWP members, the Group's final recommendations were as follows:

- 1) The **base year** for calculation of the apportionment and allocations should be the date of the latest year for which information is available;
- 2) The RTS 2nd Review should calculate the **3-year average** annual production figure and the **10-year average** annual production figure and use the higher of the two figures as the basis for apportionment calculations;
- 3) There should not be a separate landbank for **high PSV rock** but there should be a narrative included in the RTS setting out the considerations to be undertaken if high PSV rock is part of the crushed rock landbank in a particular MPA area;
- 4) Regarding the question of whether **regional groupings of LPAs** should be used for the calculation of landbanks, the Technical Group supported this in principle but considered that identifying appropriate regional groupings should be a task undertaken by an independent Consultant as part of the RTS Review process. The Consultant should also consider whether apportionment should be for a regional area only or whether this should be broken down to each LPA area;
- 5) Regarding the treatment of **ongoing quarrying activity within National Parks**, the Group considered that the position is adequately covered in National Policy. There should therefore be no change to the way in which production within National Parks is monitored and reported. This question specifically relates to current production. It does not relate to landbanks for National Parks as they are subject to the 'exceptional circumstances' test;
- 6) Regarding the issue of **maintaining production capacity** within a particular area, the Group resolved that the consultant appointed to produce the RTS should be asked to consider this for each LPA or region and to identify where there is a danger of under provision within the lifetime of the RTS 2nd Review, even though the apportionment figure may be met arithmetically.

- 1.37 Concern was also expressed by the Technical Group about the **potential impact of major projects** on landbanks and the ability of the quarrying industry in Wales to respond to these potential spikes in demand. It therefore advised that one of the considerations to be addressed in carrying out the 2nd Review is whether the apportionment calculations for each LPA or region need to be adjusted to reflect these major ‘spikes’ in demand and, if so, how that could be done.
- 1.38 The first of these recommendations is now embedded within the Guiding Principles note above. The second, third and fifth recommendations are also regarded as settled matters and form part of the methodology for the determination of apportionments and allocations within the 2nd Review. The fourth and sixth recommendations, together with the additional concern regarding major projects, noted above, were discussed at a series of Stakeholder meetings in Stage 1 of the Review, and are incorporated in the adopted methodology.
- 1.39 Whether or not **Strategic Environmental Assessment** (SEA) should be undertaken was considered as part of the original development of the Regional Technical Statements. It was felt, however that, as the RTS documents primarily represent a collaboratively prepared evidence base and are neither required nor constitute a plan or programme for the purposes of the SEA Directive, such an assessment was not necessary. As with the original RTS documents and the First Review, therefore, at this broad level, and given the further detailed analysis and Plan-making that will be required to implement the RTS through Local Development Plans (where SEA is a formal requirement), it was not considered appropriate or required that SEA should be conducted as part of the Second Review.
- 1.40 Several of the terms used above (e.g. apportionments, allocations, landbanks, permitted reserves and resources) have very specific meanings with respect to minerals planning, which need to be understood. These are all defined in the **Glossary of Terms** at the back of this report. Similarly, a number of commonly-used abbreviations, although explained in the text where they are first introduced, are summarised in the list which follows the glossary.

2. Key Principles

The RTS Approach

- 2.1 A key principle which underpins the overall approach within the RTS and MTAN1 is the need to move away from the old, demand-led system of '**Predict and Provide**' to the more modern concept of '**Plan, Monitor and Manage**'. These terms originated in relation to the planning for housing provision but can also be applied to minerals.
- 2.2 It is important to recognise, however, that the Plan, Monitor and Manage system still depends, crucially, on an assessment of demand. At the heart of MTAN1 is the aspiration that, once a reasonable estimate of demand has been obtained, any subsequent fluctuations above that level should be accommodated by increased supplies from secondary and recycled sources (see glossary for definitions), rather than being seen as a justification for granting new planning permissions for primary aggregate extraction. Whilst that aspiration is widely supported, there is evidence to suggest that the percentage contribution available from secondary and recycled sources, having risen from around 10% of the total aggregates market in the 1990s to around 28% during the last decade (as a direct result of financial incentives and promotional work to increase acceptability) is now likely to have peaked. As a consequence of this, the future use of recycled/secondary materials is likely to depend mainly on the level of future construction output (since the availability of recycled materials is closely dependent on rates of new construction). It is therefore perhaps more reasonable to assume that secondary and recycled aggregates will continue to provide a high proportion of total aggregate production but will not be able to be relied upon to fulfil any future peaks in demand on their own: there may also need to be increased contributions from primary aggregate sources.
- 2.3 The RTS process supports this approach by investigating the likely continued availability of secondary and recycled aggregates from all available sources within each area, and factoring this in to an assessment of the residual demand for land-won primary aggregates, as informed primarily by historical sales data and the consideration of planned future construction activity. That residual level of demand is then translated into **apportionments** for each local authority, subject to the consideration of other sustainability issues including proximity and environmental capacity (see below).
- 2.4 An important tool in the ongoing management of the supply of aggregates is the monitoring of **landbanks**. A landbank, as defined in paragraph 45 of MTAN1, is the stock of planning permissions for the winning and working of minerals at *active* and *inactive* sites², at any given point in time and for a given area. Where there is an insufficient landbank of permitted reserves in a particular area to meet the identified demand, over a sustained period of time, the RTS recommends the need for **allocations** for future working to be identified in LDPs. Provided that the

² Detailed definitions of active, inactive, dormant and suspended sites are given in the **Glossary of Terms** at the back of this report, as are the full definitions of resources, permitted reserves, apportionments, landbanks, allocations and provision.

reserves at *dormant* sites have not already been included in the landbank calculations³, and where a Local Planning Authority considers that such reserves are likely to be capable of being worked within the relevant period (subject to the agreement of modern conditions) it is suggested here that these may be offset against the requirement for new allocations. The same logic applies to sites where permission has been *suspended*, following a stalled IDO or ROMP review (see **Glossary** for full explanations of these various terms).

- 2.5 Thereafter, by virtue of the Plan-led approach, additional applications for new permitted reserves are unlikely to be granted except within allocated sites or areas, unless there are compelling reasons why fluctuations in demand cannot be met from those locations or from alternative (secondary and recycled) sources. The situation is monitored annually by the RAWPs and managed, as required, through periodic (5-yearly) revisions of the Regional Technical Statements.
- 2.6 In terms of its overall approach, the RTS concept represents an important modification of the more general Managed Aggregate Supply System (MASS) which had previously operated across both England & Wales for many years. The main difference is that the Welsh system explicitly seeks to incorporate two key principles of sustainability with respect to aggregates supply: the ***proximity principle*** and the notion of ***environmental capacity***, as explained in the following sections.

The Proximity Principle

- 2.7 This relates simply to the objective of minimising unnecessary transportation of bulk materials, particularly by road, by ensuring that sources of supply (e.g. aggregate quarries) are located as closely as possible to the main centres of demand (primarily centres of population and major infrastructure projects). The minerals planning system has only limited controls on this: it cannot dictate where aggregates are supplied to, from any given source, and it cannot dictate where suitable sources exist (since minerals can only be worked where they are found). The planning system can, however, provide strong guidance in terms of where planning permissions are likely to be given for new quarries (or extensions to existing quarries) within areas of suitable geology, and it can take account of transportation factors in deciding where these ought to be. In the long term the RTS process has a key role to play in this, by gradually modifying the overall pattern of supply, where this is needed.
- 2.8 The proximity principle needs to be modified, in some cases, by recognition that certain types of ‘high specification aggregate’ (HSA) serve quite different markets and are therefore required for distribution over much greater distances. This applies especially to the skid-resistant aggregates derived from the Pennant Sandstones of South Wales and from a range of other formations within Powys and elsewhere, which are essential for road surfacing applications throughout England and Wales (Thompson, Greig & Shaw, 1993; Thompson *et al.*, 2004). Indigenous sources of HSA

³ There are differences of interpretation (of MTAN1 guidance) regarding whether or not the permitted reserves at dormant sites should be included in landbank calculations that are used for the purpose of assessing the need, or otherwise, for new allocations. As explained in the **Glossary**, for the purposes of this review, such reserves, and those at suspended sites, have been excluded.

materials within England are very limited, and many are constrained by their location within National Parks. HSA exports from Wales are therefore of major significance. Separate consideration also needs to be given to the issue of high purity limestone production for use as a metallurgical flux, for chemical production and for the manufacture of cement. Whilst these are all non-aggregate end-uses, they are frequently produced from the same geological resources as crushed rock aggregates, but the quarry locations may be determined or justified primarily by the requirements for the higher value industrial products.

- 2.9 The proximity principle is further modified by the requirement in MTAN 1 (paragraph 49) that landbanks do not need to be maintained, and that there should therefore be no future allocations, within National Parks or Areas of Outstanding Natural Beauty (AONBs). This is in line with Planning Policy Wales, which states (at para. 5.14.35) that mineral extraction should not take place in National Parks and AONBs, except in very exceptional circumstances.
- 2.10 The original Regional Technical Statements aimed to reflect the Proximity Principle by providing ‘per capita’ apportionments for future aggregate provision (i.e. proportionate to the population within a given LPA area, as a surrogate for the likely distribution of demand). Major drawbacks of this approach, however, were found to be the lack of correlation between existing population figures and either the demand for, or availability of, aggregate supplies.
- 2.11 In the 1st Review of the RTSs, general consideration was given, instead, to variations in *population density*, but account was also taken of a range of other influences, including access routes and transport distances, which neither population nor population density figures are able to reflect. That analysis was, necessarily, of a qualitative nature because of the complexities involved, and to avoid the spurious precision associated with inappropriate quantitative analysis. It allowed the Proximity Principle to be acknowledged but relied primarily on historical sales figures as indicators of demand. This recognised that the demand for supplies from a particular quarry must inevitably be influenced (very strongly) by transport distances, since these constitute a major element of the delivered price. Local sources of supply will therefore always be preferred to those from more distant locations, provided that the material supplied is fit for purpose. Equally, more remote sources would only maintain their commercial viability if they are capable of supplying aggregates of a type that are in high demand but not available from sources located nearer to the markets.
- 2.12 The main criticism of that approach has been that reliance on historical sales figures inevitably perpetuates the historical pattern of supply, giving very limited scope for this to be changed, over time, to achieve any improvement in sustainability. In the present Review, an attempt has therefore been made to use recent data on housing completions and planned future housing provision, both as part of the overall assessment of future demand, and to influence the sub-regional apportionment of future aggregates provision. This is explained more fully in Chapter 3.

Environmental Capacity

- 2.13 By comparison, the notion of environmental capacity has always been a more controversial issue. The basic principle is clear enough: i.e. that quarrying should be focused, as far as possible, on areas which have the greatest capacity to ‘absorb’ the environmental impacts that are (or may be) associated with quarrying activity, and thus to contribute to future supply with a minimum of adverse impacts. The controversy derives from the lack of consensus in terms of how ‘environmental capacity’ should be defined, and from the way in which this has influenced the allocation targets within the Regional Technical Statements.
- 2.14 In Wales, two previous research projects provided the evidence base for the system that is currently used: **EMAADS** (Establishing a Methodology for Assessing Aggregates Demand and Supply - Arup, 2004) and **IMAECA** (Implementing the Methodology for Assessing the Environmental Capacity for primary Aggregates - Enviro, 2005). These projects resulted in a set of ‘traffic light’ maps (as they are often referred to) being issued to each LPA within Wales to indicate areas of *relatively* high (green), medium (amber) and *relatively* low (red) environmental capacity. The thresholds between these categories were arbitrarily set, but the differentiation between them does at least provide a starting point for the consideration of environmental capacity and thereby enables nationally consistent *strategic* decisions to be made, by the RAWPs, with respect to future aggregates provision.
- 2.15 The colours shown on these maps reflect combined scores from the assessment of twelve different ‘national environmental indicators’ for each square kilometre. These comprised:
- (i) Settlements
 - (ii) Roads
 - (iii) Land Use
 - (iv) SSSIs
 - (v) Heritage
 - (vi) Public Enjoyment
 - (vii) Landscape
 - (viii) Local Landscape
 - (ix) Watercourses
 - (x) Spheres of Influence
 - (xi) Existing Workings
 - (xii) Cumulative Effects
- 2.16 It is important to understand that the IMAECA tool was designed to be used *only* to inform the Regional Technical Statements and explicitly *not* to be used directly in Local Development Plans, Development Management processes and decisions or planning appeal decisions.

- 2.17 The consideration of Environmental Capacity at this strategic level deliberately avoids the direct use of more detailed ‘primary’ environmental information such as the locations of individual designations (other than National Parks and AONBs). Once again, this is to avoid being site-specific and to avoid prejudging issues which need to be addressed in more detail through LDP and Development Management processes at a local level - either within individual local authorities and/or through joint working between neighbouring authorities. Joint consideration of the relationship between mineral resources and environmental designations on a sub-regional basis would potentially allow more detailed consideration to be given to these important issues at a spatial scale which extends beyond the boundaries of an individual local authority. This could tie-in well with the Area-Based Natural Resource Management Approach being promoted by Welsh Government through the **Environment (Wales) Act 2016**.
- 2.18 However, despite this information being available, and being described for each LPA within the original RTs, the environmental capacity results from the IMAECA study had no influence at all on setting the apportionment figures within those reports. That may partially have been due to concerns about not prejudging matters that should properly fall to be dealt with through the Local Development Plan process. This certainly applies to any site-specific judgements but, at a more strategic level, there is both scope and wide support for environmental capacity data to inform and potentially influence the bigger picture.

Changing the Pattern of Supply

- 2.19 Important consideration also needs to be given to existing patterns of supply. MTAN 1 suggests that these patterns are largely a historical residual and ‘...*will need to gradually change to reflect current notions of sustainability*’. That may, or may not be the case, however, since the historical supply patterns already have much to commend them: they reflect the ***spatial distribution of available resources*** (which is of fundamental importance, since minerals can only be worked where they are found) and the ***economic imperative*** of industry to establish quarries as close as possible to areas of demand (in order to minimise transport costs), subject to a range of environmental designations, planning policies and other constraints. Over many decades, quarries which have become uneconomic because of changing demand or outdated transport networks and rising costs have naturally fallen into disuse. Those which remain are generally (though not always) well-placed to serve the current markets although some remain in conflict with designations, environmental concerns or neighbouring land uses which, in many cases, post-date the mineral planning permissions involved. Where this is the case then, unless there are no sensible alternatives in terms of the availability of resources, it may not be appropriate for the historical supply pattern from a given area to be used as a proxy for future supply from that area.
- 2.20 Together, the implementation of the proximity principle and the notion of environmental capacity, as described above, may gradually induce changes to the existing patterns of supply. But this would only be justified if it is found that, once all aspects of sustainability are taken into account, alternative patterns are seen to

have clear advantages over those which currently exist. Even where changes are clearly justified, these cannot generally be immediately implemented, since (unless Prohibition Orders are issued) existing quarries will be able to continue until their existing planning permissions expire and/or until they run out of permitted reserves.

- 2.21 Nevertheless, the RTS can help to influence future changes in supply pattern, where this is found to be desirable, by adjusting the apportionments given to individual LPAs. This, in turn, will then help to focus new allocations in the areas required, and should eventually result in a shift towards a more sustainable pattern of supply. Chapter 4 of this report presents an overview of the existing supply pattern, highlighting the need for limited adjustments in certain areas, drawing on the more detailed analyses presented in the two Regional Appendices (A and B).

3. Methodology for the 2nd Review of the RTS

Introduction

- 3.1 In the original and First Review of the Regional Technical Statements, the starting point for the apportionment of future aggregates provision⁴ was to make an assessment of the likely future demand. However, in contrast with the former guidelines for aggregate provision issued for both England and Wales, prior to devolution, the RTS process has always avoided any attempt to make detailed forecasts of future demand based on econometric modelling. In the past, these had been found to be unreliable and were criticised for their lack of transparency. Instead, a series of alternative approaches have been used in Wales and each 5-yearly review of the RTS provides opportunities for further refinement.
- 3.2 The methodology used in the previous (First) Review, in 2014, had been based primarily on historical sales averages, combined with an assessment of the various ‘drivers’ of potential future change – much like the methodology for producing Local Aggregate Assessments in England, but carried out at a national scale. For the present Review, this has been combined with an attempt to reflect planned future requirements for construction activity (particularly housing)⁵, and to avoid perpetuating historical supply patterns in areas where there is scope to encourage more sustainable patterns of supply.
- 3.3 Given the importance of the Plan-led system, there is a need for joined-up thinking between planned construction activity and the planned provision of associated construction materials. This resonates strongly with the integration of policies to promote balanced decision-making: one of the five key ways of working identified in the Well-being of Future Generations (Wales) Act 2015. The concept applies irrespective of whether the planned construction (e.g. housing or major infrastructure projects) materialises. If the planned activity *does* take place, then it will not be hampered by a shortage of materials; if it does not, then there will have been an over-provision of aggregates, but that would not equate to excess production (since aggregates will only be quarried as and when the demand occurs).

Preliminary Research

- 3.4 In developing the methodology to be applied in the 2nd Review, it was first necessary to undertake some preliminary analysis of the source data. This is briefly outlined below under five headings: historical sales data, housing data, economic forecasts, availability of alternative materials and the balance between imports and exports.

⁴ This analysis relates only to the requirements for primary, land-won aggregates. As noted in the original RTS documents, targets for the production of alternative aggregates (i.e. secondary aggregates, recycled materials and marine-dredged aggregates) have traditionally been ‘top-sliced’, leaving a residual demand for land-won primary aggregates. As with the First Review, it was agreed with the Steering Group that the proportion of total aggregates supply provided from secondary and recycled aggregate sources would remain approximately constant, with the actual quantities rising and falling in relation to overall levels of economic activity.

⁵ Although planned housing construction may be no more reliable, as an indicator of future demand, than the former aggregate guidelines were, the justification for using such figures is different: it is not an attempt to predict demand, only to ensure consistency in the planning process and to give tangible recognition to the link between construction and aggregates.

Historical Sales Data

- 3.5 The Annual Reports of the South Wales and North Wales Regional Aggregate Working Parties provide an important source of data regarding annual sales and annual updates to the stock of permitted reserves of land-won primary aggregates. They also provide information on secondary aggregates and on landings of marine-dredged aggregates.
- 3.6 The published reports for South Wales currently provide data up to the end of 2016. Those for North Wales provide data up to 2015 but, for the purpose of this Review, the previously published figures have been refined and updated (to include 2016), by the RAWP secretary. The resulting annual totals for the period 2007 to 2016 are presented in Table 3.1, below. This represents the main 'baseline' period for use in the Second Review. All figures are given in millions of tonnes (mt).

Table 3.1: Annual Sales of Land-won Primary Aggregate in North Wales and South Wales, from RAWP reports.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
North Wales Crushed Rock (mt)	6.298	6.225	3.674	4.381	4.348	3.938	4.052	4.626	5.003	5.023
North Wales Land-won Sand & Gravel (mt)	1.063	0.711	0.599	0.664	0.641	0.588	0.529	0.892	0.940	0.726
NW Total (mt)	7.361	6.936	4.273	5.045	4.989	4.526	4.581	5.518	5.943	5.749
South Wales Crushed Rock (mt)	12.51	10.35	8.13	7.20	7.73	7.39	7.55	7.87	8.31	8.41
South Wales Land-won Sand & Gravel (mt)	0.24	0.03	0.14	0.12	0.11	0.27	0.28	0.20	0.27	0.16
SW Total (mt)	12.75	10.38	8.28	7.32	7.84	7.66	7.83	8.07	8.58	8.57
Wales Total (mt)	20.11	17.32	12.54	12.37	12.83	12.19	12.41	13.59	14.52	14.32
NW/SW Split (%)	37/63	40/60	34/66	41/59	39/61	37/63	37/63	40/60	41/59	40/60

SOURCE: Annual RAWP reports, updated (for North Wales) by the RAWP Secretary, for the purposes of this review⁶.

- 3.7 It is important to remember that the historical sales figures represent only the *residual demand* for land-won primary aggregates, since the overall demand over this period was also satisfied, to varying degrees, by supplies from secondary, recycled and marine aggregate sources, as well as by small amounts of imports from primary aggregate sources in England. By default, therefore, using historical sales data as part of the basis for estimating future demand assumes that the supply of secondary, recycled, marine and imported aggregates will continue as before (with different levels of contribution from each source in each of the various LPAs).

⁶ Whilst the data presented in Table 3.1 are useful in showing the year-to-year variations, the totals are slightly different from those presented in all subsequent tables in this report, which were derived from new, and more accurate figures collated by both RAWP secretaries for the specific purpose of this review.

- 3.8 In the First Review, historical sales data were represented by the average sales over the preceding 10-year baseline period. For the present Review, it was decided that consideration should also be given to average sales over the most recent 3-year period (2014 to 2016), in recognition of the fact that for some areas (notably Cardiff, and the three main 'exporting' LPAs of Flintshire, Wrexham and Powys), there has been a sharp increase in recent production. The RTS Steering Group's view was that the highest of the 10-year and 3-year averages, for each LPA, should be used in calculating a more representative National total. Table 3.2, below, presents the figures for each LPA and the derived total. The LPAs are listed simply in alphabetical. Their geographical distribution and arrangement into the North Wales and South Wales RAWP areas, are shown in Figure 1.1, above.

Table 3.2: 10-year and 3-year Total Land-Won Primary Aggregates Sales Averages (to 2016) for each LPA.

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

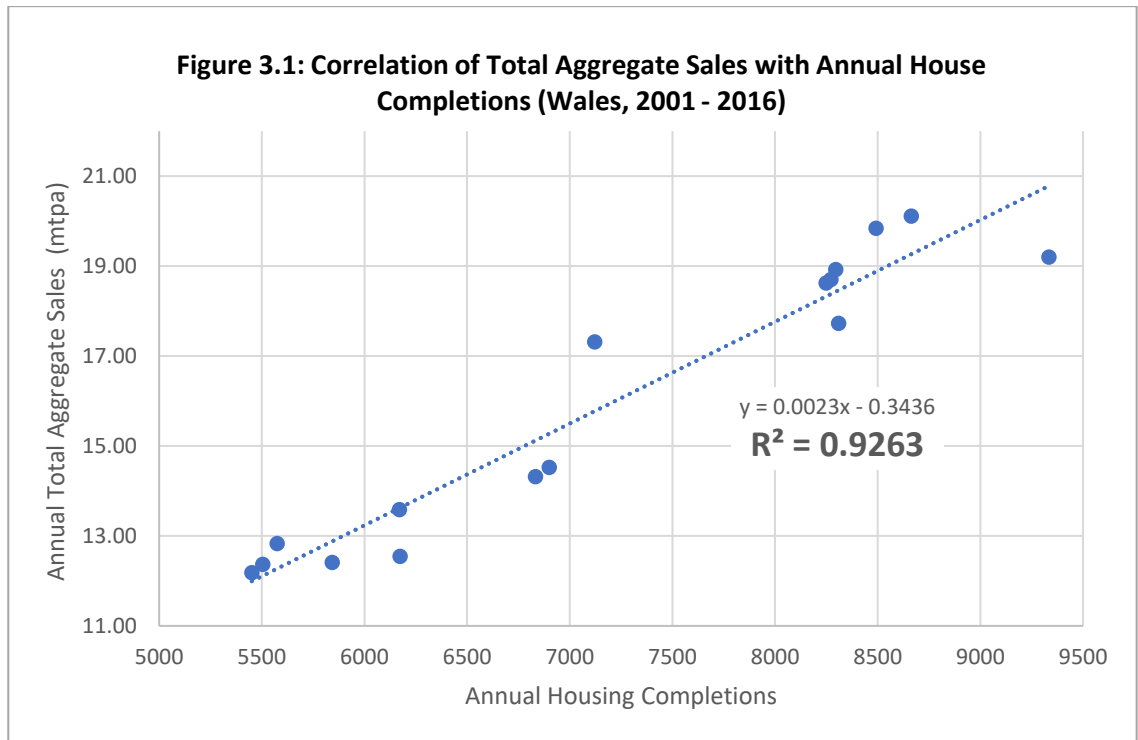
(SOURCE: RAWP Secretaries, 2018)

- 3.9 This National total of 15.557mt compares with an equivalent figure of 17.69 mt for the First Review (based on the 10-year average, only, for the period 2001 to 2010).

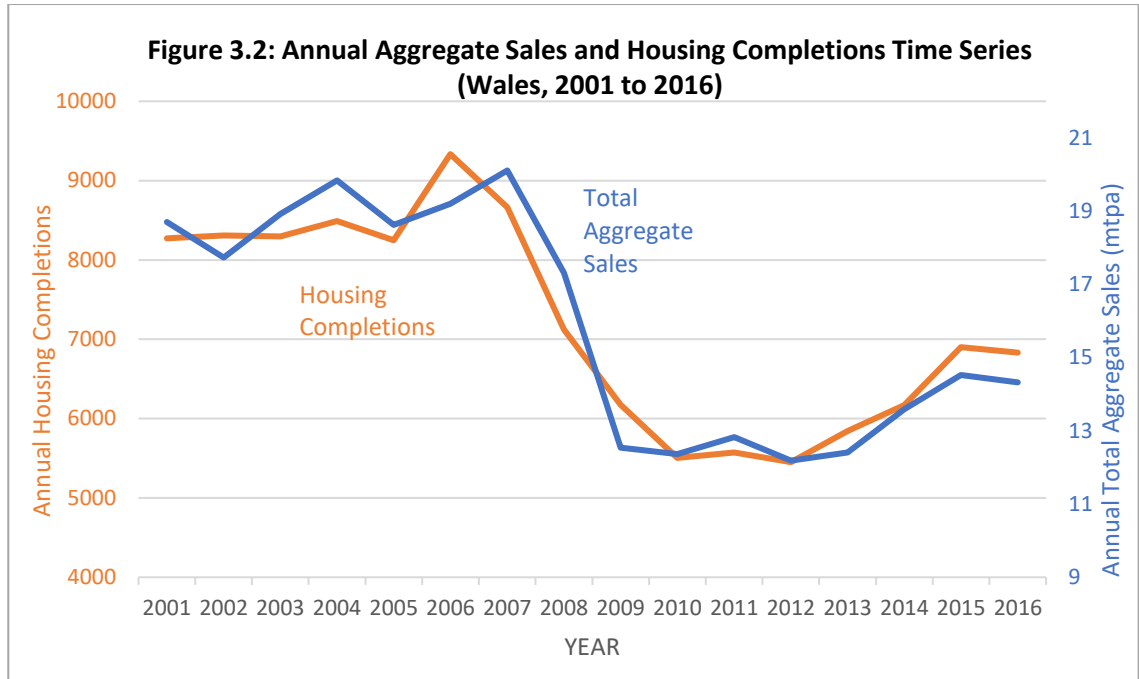
This marked reduction reflects the fact that the baseline for the present Review includes the whole of the recent economic recession, whereas the previous baseline period incorporated only part of the recession together with a preceding period of significantly higher sales.

Housing Data

- 3.10 Statistics on housing completions (and housing starts) for each LPA in Wales are reported on the Welsh Government’s ‘StatsWales’ website⁷. The data are reported in financial, rather than calendar years, so are not directly compatible with aggregate sales data, but comparisons over time can nevertheless reveal important trends. In doing so, two particular findings clearly emerged.
- 3.11 Firstly, an extremely high degree of correlation was revealed, at a national level, between annual house completions and annual sales of aggregates, with a correlation coefficient (R^2) of 0.9236. This is illustrated in Figure 3.1 below. The two time series are compared in Figure 3.2, demonstrating their very close similarity of responses to the recent sharp recession and subsequent faltering recovery.



⁷ <https://statswales.gov.wales/Catalogue/Housing/New-House-Building/newdwellingscompleted-by-area-dwellingtype-numberofbedrooms>



- 3.12 In considering the correlation shown in these diagrams, it is important to note that, whilst there is obviously a causal link between house building and aggregate consumption, the apparent strength of that correlation may be at least partly explained by the fact that both factors are governed by a separate, completely independent variable – that of economic growth.
- 3.13 It must also be recognised that housing accounts, directly, for only a proportion of aggregate sales. A projection of future housing growth (or decline), however reliable, could not be used with any confidence to predict the exact growth or decline of aggregate sales (at most it could only help to predict the proportion of those sales which are directly associated with house construction).
- 3.14 Similar analyses at regional and sub-regional levels were attempted but produced much weaker correlations – particularly in areas where a significant proportion of demand is associated with exports to England, rather than with domestic construction activity (as is the case in north-east Wales, for example, and in Powys).
- 3.15 The second observation relates to the comparison between annualised figures for future housing requirements⁸, derived from the totals set out in adopted Local Development Plans throughout Wales, and actual housing completions data over the 10-year baseline period, as recorded by the Welsh Government. This comparison is presented in Table 3.3. below, with the LPAs again listed in alphabetical order.

⁸ The data used here relates specifically to housing **requirements**, as objectively assessed for each LPA, rather than the figures for housing **provision** adopted in LDPs which are usually higher, following the inclusion of variable allowances in each LPA for ‘flexibility’. The requirement figures were agreed, at a meeting of the two RAWPs, in July 2019, to be a more reliable basis for analysis. Given that LDP progress has varied from one authority to another, some of the earlier figures are now several years old, but all of them were valid for (or beyond) the ‘baseline’ period (2007 – 2016) covered by this Review. The Steering Group considered that these were the best available, consistent source of data for this purpose, with the benefit of having been scrutinised by Inspectors at individual LDP Examinations.

Table 3.3: Comparison of Housing Requirements in Local Development Plans with average Annual Housing Completions in Wales (as of December 2018)

Unitary Authority	Plan Status	Plan period	Planned Future Housing Requirements	Annualised Future Housing Requirements	Average House Completions per year (2008 – 2017)
Blaenau Gwent	Adopted	2006-2021	3,500	233	99.1
Bridgend	Adopted	2006-2021	9,690	646	365
Caerphilly	Adopted	2006-2021	8,625	575	335.2
Cardiff	Adopted	2006-2026 ⁹	41,415	2,761	825.3
Carmarthenshire	Adopted	2006-2021	15,197	1,013	517.8
Ceredigion	Adopted	2007-2022	6,000	400	126.1
Conwy	Adopted	2007-2022	6,520	435	178.6
Snowdonia	Adopted	2016-2031	770	51	
Denbighshire	Adopted	2006-2021	7,500	500	156.2
Flintshire	in Progress	2015-2030	6,950	463	288.6
Gwynedd	Joint LDP Adopted	2011-2026	7,184	479	170.4
Isle of Anglesey					109.6
Merthyr Tydfil	Adopted	2006-2021	2,250	150	133.2
Brecon Beacons N.P.	Adopted	2007-2022	1,990	133	
Monmouthshire	Adopted	2011-2021	4,500	450	228.6
Neath Port Talbot	Adopted	2011-2026	7,800	520	274.3
Newport	Adopted	2011-2026	10,350	690	527.5
Pembrokeshire	Adopted	2006-2021	5,700	380	240
Pembrokeshire Coast NP	Adopted	2006-2021	1,599	107	
Powys	Adopted	2011-2026	4,500	300	191.7
Rhonda Cynon Taf	Adopted	2006-2021	14,385	959	373.9
Swansea	Adopted	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	at Examination	2013-2028	7,750	517	304.2
TOTAL, Wales			203,935	13,746	6,423.6

3.16 It is evident from Table 3.3 that in every local authority, the levels of future housing requirements are substantially greater than recent levels of completion. For the country as a whole, the planned figures are more than double the average level of annual completions.

3.17 In reality, notwithstanding the fact that the housing figures have been scrutinised in terms of their 'deliverability' as part of the Local Plan process, and should therefore

⁹ Although Cardiff's adopted LDP covers the period 2006 to 2026, work on the plan actually commenced in 2011 following withdrawal of the previous LDP (which covered the period 2006 to 2021). The start date remained at 2006 because much of the evidence base for the withdrawn plan was used to inform the new plan in order to avoid unnecessary expenditure in preparing new evidence where it was not required. This effectively means the plan is a 15-year plan (as for all others), expiring in 2026.

be 'sound', the planned delivery of new houses will only be achieved if economic and other conditions allow. The figures are therefore not predictions and cannot be used as a basis for predicting future demand.

- 3.18 There is, nevertheless, a clear logic behind the notion that levels of housing requirements that are accepted for inclusion in adopted LDPs should be underpinned by a planned sufficiency of construction aggregates. As noted in para. 3.3, above, this ties-in with, and is supported by, the notion of integrating policies to promote balanced decision-making: one of the five key ways of working identified in the Well-being of Future Generations (Wales) Act 2015. **A decision was therefore made to move away from any attempt to predict future demand and to focus, instead, on making sure that future aggregates provision is reasonably matched to the planned requirements for housing construction.**

Economic Forecasts

- 3.19 Notwithstanding that decision, it is still useful to give at least some consideration to established economic forecasts, since these may have a bearing on whether or not the planned construction activity is able to be delivered.
- 3.20 In the First Review, it was found that there was a degree of correlation between past aggregate sales and the annual change (% growth or decline) in **Gross Domestic Product** (GDP), as a measure of economic activity. GDP out-turn figures are readily available (on the Eurostat website) and GDP forecasts are published regularly in the Economic and Fiscal Outlook reports from the Office of Budget Responsibility. Table 3.4, below, compares land-won aggregate sales in Wales, over each of the last 16 years (again combining data for the last review period as well as this one), against published data on the annual percentage change in GDP for the UK.
- 3.21 The resulting graphs (Figures 3.3 and 3.4) reveal the a relatively limited degree of correlation between the two datasets and a noticeable disconnect between the speed of recovery of aggregate sales following the recession, compared with that of GDP growth. This may be at least partly because the GDP figures are available only for the UK as a whole, and not specifically for Wales. It is concluded that these offer very limited insight regarding future aggregate requirements in Wales, and that GDP data should not be used in the assessment of future requirements for aggregates provision.

Availability of Alternative Aggregates

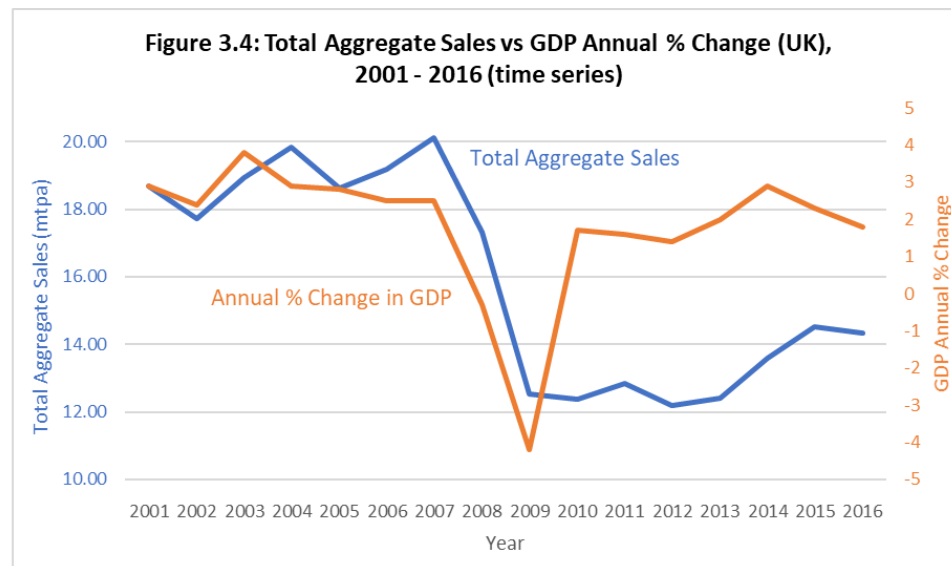
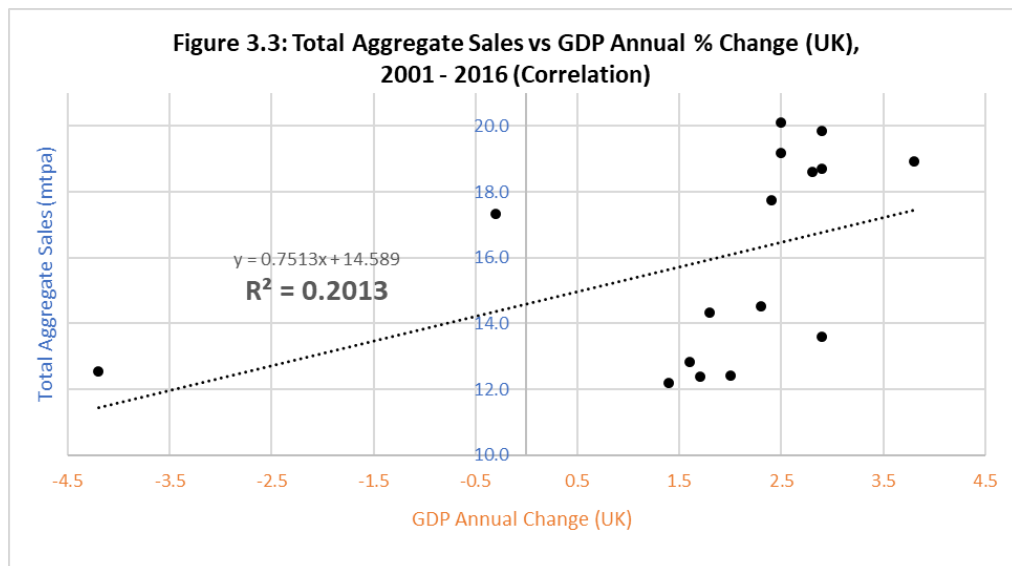
- 3.22 In considering possible trends in the demand for land-won primary aggregates, consideration needs to be given to the availability of alternative (particularly secondary and recycled but also marine) aggregate sources. Such materials are 'top sliced' in terms of policy preferences, such that only the 'residual' demand needs to be supplied from primary, land-won materials.

Table 3.4: Annual Aggregate Sales and GDP Data.

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Crushed Rock * (mt)	16.97	16.18	17.46	18.30	16.95	17.75	18.81	16.58	11.8	11.58	12.08	11.33	11.6	12.5	13.31	13.43
Land-won Sand & Gravel * (mt)	1.73	1.55	1.47	1.54	1.68	1.45	1.3	0.74	0.74	0.78	0.75	0.86	0.81	1.09	1.21	0.89
Total * (mt)	18.70	17.73	18.92	19.84	18.62	19.20	20.11	17.32	12.54	12.37	12.83	12.19	12.41	13.59	14.52	14.32
GDP (UK) – Annual % change **	2.9	2.4	3.8	2.9	2.8	2.5	2.5	-0.3	-4.2	1.7	1.6	1.4	2	2.9	2.3	1.8

* SOURCE: Annual RAWP reports, updated (for North Wales) by the RAWP Secretary, for the purposes of this review.

** SOURCE: (https://ec.europa.eu/eurostat/data/database?p_p_id=NavTreeportletprod_WAR_NavTreeportletprod_INSTANCE_nPqeVbPXRmWQ&p_p_lifecycle=0&p_p_state=normal&p_p_mode=view&p_p_col_id=column-2&p_p_col_pos=1&p_p_col_count=2)



Secondary Aggregates

- 3.23 Secondary aggregates comprise the by-products of various industrial processes, including metallurgical slags and power station arisings, but also the by-products from certain types of non-aggregate mineral extraction, such as colliery spoil and slate waste, and from the recycling of glass, ceramics, asphalt planings and rail ballast¹⁰.
- 3.24 Aggregate production from metallurgical slags occurs only in South Wales. Port Talbot continues to produce both blast furnace (iron) and steel slag, whilst electric arc furnace steel slag is still produced from one site in Cardiff. The processing of older stockpiles of blast furnace slag at the former Llanwern steel works is now understood to have ceased. Secondary aggregates are produced from all of these materials although volumes are thought to be declining, with a consequent increase in the demand for primary aggregates.
- 3.25 Coal-fired power station arisings, comprising pulverised fuel ash (PFA) and furnace bottom ash (FBA) are currently produced only at the Aberthaw Power Station, in South Wales. With the planned closure of all coal-fired power stations by 2025, this production will cease. Whether or not historic PFA stockpiles will be able to be worked in future remains to be seen.
- 3.26 Small amounts of aggregate minerals (sandstone and occasionally sand) arise adventitiously from the reworking of former colliery spoil tips or from the working of opencast coal. The amounts and their suitability for use as construction aggregates are highly unpredictable, however, and quantities can vary greatly over time. Many former colliery waste tips in Wales have either been landscaped as part of reclamation schemes or utilised for base fill material. Volumes still available are very limited in North Wales but more significant in parts of the South Wales coalfield. The overall potential for producing aggregate from this material is considered to be small, for a combination of local, fiscal and regulatory reasons, but could be locally significant, particularly within Torfaen and Blaenau Gwent. Here, there may be opportunities for the material to make up for the very limited existing and potential sources of primary aggregate production, although the quality of the material and the quantities available for anything other than low grade fill, have yet to be demonstrated.
- 3.27 Sandstone arisings from new opencast workings have been important as ‘windfall’ resources at a number of sites within the South Wales coalfield, but these are classed as primary aggregates and are therefore not considered further here.
- 3.28 Crushed slate, derived either from slate waste (as a by-product of roofing material production) or quarried specifically for use as aggregate, features significantly in the overall pattern of supply with in North Wales (particularly in Gwynedd), but not in South Wales. Slate is included in the overall figures for crushed rock production

¹⁰ it might appear more logical to group these recycled materials with aggregates produced from recycled construction, demolition and excavation wastes (CD&EW). However, the coverage of CD&EW is already well defined in terms of survey returns, so those items are included here as secondary aggregates.

within the North Wales RAWP reports though not in the AM Surveys. Although output fell during the recent recession, the proportions have remained high, suggesting an underlying increase in the market for slate aggregate. However, given that slate production is already included in the crushed rock statistics, this trend has no implications for the overall level of future demand for primary aggregates, only for the balance between slate and other types of crushed rock.

- 3.29 The various sources of secondary aggregate noted above, together with recycled aggregates, as discussed below, are currently exempt from the Aggregates Levy, in a deliberate attempt to minimise the use of primary aggregates. During 2019 and 2020, the Aggregates Levy was comprehensively reviewed by HMRC, but no changes have been made to those exemptions.

Recycled Aggregates

- 3.30 Aggregates produced from the recycling of construction, demolition and excavation wastes (CD&EW) form an important contribution to the overall supply of construction aggregates. The 2008 RTSs identified a total output for the whole of Wales of 3.97mt, based on 2005 survey data, and suggested a roughly 3 to 1 split between South Wales and North Wales, based on earlier surveys and population ratios. They also noted that, despite the lack of quantitative detail, it is inevitable that the greatest volumes of CD&EW arisings and usage are in the urban areas. The RTS documents emphasised, however, that all statistics for this sector need to be used with a high degree of caution, because of the low rate of response to the surveys.
- 3.31 The situation, in terms of available data, has not improved since the original RTSs were published. No new survey data is available, so any observations on recent or future trends can only be regarded as broad approximations. If anything, the efficiency of recycling is likely to have increased, and the introduction of WRAP's (2005) 'Quality Protocol' for the production of aggregates from inert waste may have increased the proportion and usage of higher value products derived from the various recycled sources. Such improvements, however, represent only small increments on the progress which had previously been made - primarily as a consequence of the price advantages resulting from the landfill tax and, to a lesser extent, the aggregates levy. The view of the Mineral Products Association (MPA), which is not disputed by the NRW, remains that there is little opportunity for significant further increase in the proportion of construction aggregate likely to be derived from this sector. As noted earlier, the future availability of recycled aggregates seems likely to be inextricably linked to the overall rates of construction activity and economic growth, so the safest assumption is that it will rise and fall in a very similar way to overall demand, and will thus have a neutral impact on the demand for primary aggregates, compared to the baseline period (2007 to 2016).

Marine-dredged Aggregates

- 3.32 Marine-dredged aggregates are of major importance in South Wales, with supplies being sourced from the Severn Estuary and the Bristol Channel, but are of very limited importance in North Wales. In south east Wales, marine-dredged material

accounted for 100% of all sand & gravel production over the baseline period (2007 to 2016), reflecting the complete lack of historical (or current) land-based sand & gravel extraction in that area, despite the existence of potential land-based resources.

- 3.33 For the time being, it seems reasonable to suppose that marine-dredged aggregates will continue to supply a similar proportion of overall demand as they have done over the last decade, so the demand for land-won aggregates in any of the sub-regions of either South Wales or North Wales is not likely to be affected.

Imports and Exports

- 3.34 The periodic Aggregate Mineral (AM) Surveys usefully include data on the distribution of aggregates from supply areas to destinations, and on the mode of transportation used. Such data is far from perfect, not least because it is only the initial destination that is recorded. In many cases this may be simply an intermediate processing and/or distribution depot, from which the products travel further. Nevertheless, it is the only available source of distribution data, and is therefore very important to the RTS process.
- 3.35 Table 3.5, on the following page, derived from information presented in Tables 4j and 4k of the AM Reports, reveals the extent to which aggregates produced in North Wales and South Wales are exported (either between those regions or, primarily, to England).
- 3.36 In North Wales, the main aggregate exports, by far, are those of Carboniferous Limestone which primarily are supplied to North West England. The AM Survey figures for North Wales generally show that, as overall sales fell during the recent recession – between 2005 and 2009, the proportion (as well as the totals) of exports also fell. This implies that, during periods of recession, for general-purpose limestone aggregates, there is a reduced dependence by importing regions on supplies from more distant sources, as would be expected. But the reverse is also true: as the economy has recovered from recession, since 2009, the demand for exports from North Wales has increased once again, and more quickly than the overall rate of economic growth.
- 3.37 In South Wales, the main export is of sandstone, the vast majority (almost 90%) of which is High Specification Aggregate (HSA) - skid-resistant road surfacing material with a Polished Stone Value (PSV) of 58 or above, and generally much higher (Thompson, Greig & Shaw 1993; Thompson *et al*, 2004). As noted earlier, these exports are of major importance because of the limited sources of unconstrained HSA materials within England. Reference to Table 3.5 shows that, although there was a reduction in sandstone exports between 2005 and 2009, the difference was much less marked than was the case for limestone exports from North Wales, especially in percentage terms. This reflects the fact that the market for skid-resistant road aggregate held up better, during the recession, than was the case for more general-purpose limestone aggregate (presumably because of the safety imperative of continuing to maintain skid resistance on major roads).

Table 3.5: Summary of Regional-scale export data from recent AM Surveys

<i>Note: all figures exclude sales for non-aggregate use</i>	AM2001 (mt)	AM2005 (mt)	AM2009 (mt)	AM2014 (mt)
North Wales (data from Table 4k of the AM reports)				
Land won Sand & Gravel Sales	1.342	1.192	0.589	0.897
S&G Exports*	0.544	0.508	0.128	0.158
Exports as % of S&G total	41%	43%	22%	18%
Limestone Sales	6.062	4.641	2.636	3.508
Limestone Exports*	3.344	2.973	1.116	2.226
Exports as % of Limestone total	55%	64%	42%	64%
Igneous Sales	1.136	1.022	0.610	0.660
Igneous Exports*	0.091	0.277	0.064	0.054
Exports as % of Igneous total	8%	27%	10%	8%
Sandstone Sales	0	0	0	0
Sandstone Exports*	0	0	0	0
Exports as % of Sandstone total	0%	0%	0%	0%
Total Crushed Rock Sales**	7.198	5.663	3.245	4.168
Total CR Exports*	3.436	3.251	1.178	2.280
North Wales CR Exports as % of CR total	48%	57%	36%	55%
South Wales (data from Table 4j of the AM reports)				
Land won Sand & Gravel Sales	0.115	0.304	0.144	0.205
S&G Exports*	0.001	0.011	0	0
Exports as % of S&G total	1%	4%	0%	0%
Limestone Sales	6.536	6.137	4.554	4.540
Limestone Exports*	0.262	0.154	0.052	0.332
Exports as % of Limestone total	4%	3%	1%	7%
Igneous Sales	0.838	1.238	1.025	1.577
Igneous Exports*	0.572	0.430	0.694	0.829
Exports as % of Igneous total	68%	35%	68%	53%
Sandstone Sales	2.648	3.498	2.605	1.709
Sandstone Exports*	1.457	1.941	1.258	0.852
Exports as % of Sandstone total	55%	55%	48%	50%
Total Crushed Rock Sales**	10.310	10.873	8.185	7.825
Total CR Exports*	2.302	2.527	2.003	2.013
South Wales CR Exports as % of CR total	22%	23%	24%	26%

* 'exports' are primarily to England but include some movement between South Wales and North Wales.

** Unlike the figures used elsewhere in this Review, crushed rock sales in the AM reports exclude slate

3.38 Wales has always been a net exporter of construction aggregates and imports of land-based aggregates from England are very minor, by comparison with exports. In North Wales, imports in 2014 (from Table 5k of the AM 2014 report) amounted to just 0.023mt of land-won sand & gravel, and only 0.128mt of crushed rock, most of which comprised igneous rock from neighbouring South Wales and Limestone from South West England. In South Wales in 2014 (from Table 5j), land-based imports amounted to 0.042mt of sand & gravel and 0.079mt of crushed rock, primarily limestone from South West England.

- 3.39 Imports and exports of marine-dredged sand and gravel between England and Wales are only relevant to the RTS apportionment exercise if they affect the continuity of supply of these materials to Wales and thus give rise to increased demand on land-based resources. This is potentially an issue in South East Wales which, as noted earlier, is heavily dependent upon marine aggregates. At the time of the First Review, Wales was a net importer of marine sand & gravel, dredged from the English side of the median line in the Bristol Channel and the Severn Estuary. This was noted in the Review as being likely to change, subject to the approval of new licence applications within Welsh waters. By 2019, the relative balance between imports and exports has shifted as a consequence of a new licence that has been recently permitted across the median line between English and Welsh waters. However, significant trade continues from English licences to Welsh markets as well as vice versa. In Liverpool Bay, the only licence area in Welsh waters remains a net exporter to north west English markets.
- 3.40 Recent AM Surveys have also included information on aggregate movement between sub-regions. In Wales the sub-regions used for this purpose¹¹ comprise:
- **North-East Wales** (Conwy, Denbighshire, Flintshire and Wrexham);
 - **North-West Wales** (Isle of Anglesey, Gwynedd & the Snowdonia National Park);
 - **South-East Wales** (Swansea, Neath Port Talbot, Bridgend, Rhondda Cynon Taf, Merthyr Tydfil, Caerphilly, Blaenau Gwent, Torfaen, Monmouthshire, Newport, Cardiff and the Vale of Glamorgan); and
 - **‘the Remainder of South Wales’** (Pembrokeshire, Pembrokeshire Coast National Park, Ceredigion, Carmarthenshire, Powys and the Brecon Beacons National Park).
- 3.41 Table 3.6, below, shows the results for crushed rock, for each mineral planning authority. In each case, figures are given for sales within the same sub-region, sales to directly adjoining sub-regions within Wales, and sales to other sub-regions, including those in England.
- 3.42 Similar data is available for sand & gravel aggregates, although the quantities involved are extremely small, except in the case of Wrexham, where 51% is sold within NE Wales, 27% in NW Wales and 22% elsewhere (primarily England).

¹¹ The sub-regions used for the AM Surveys should not be confused with those used for the analysis of future apportionments in this Review, as described on page 53 and shown in Figure 5.2.

Table 3.6: Sub-Regional export data for crushed rock aggregates* from the AM 2014 Survey report (Mankelov et al, 2016), expressed as percentages of total sales.

<i>Note: all figures exclude sales for non-aggregate use</i>	Sales within sub-region	Sales to adjoining sub-regions in Wales	Sales to other sub-regions and to England
North Wales (data from Table 9k of the AM report)			
Conwy	25%	40%	35%
Denbighshire**	(44%)	(0%)	(56%)
Flintshire	33%	0%	66%
Gwynedd	77%	21%	3%
Isle of Anglesey	70%	17%	12%
Wrexham	-	-	-
South Wales (data from Table 9j of the AM report)			
Blaenau Gwent	100%		0%
Brecon Beacons National Park	2%	98%	0%
Bridgend	100%	0%	0%
Caerphilly	54%	46%	
Cardiff	39%	61%	0%
Carmarthenshire	23%	77%	0%
Ceredigion	100%	0%	0%
Monmouthshire	-	-	-
Neath Port Talbot	11%	57%	32%
Newport	-	-	-
Pembrokeshire	66%	34%	0%
Pembrokeshire Coast National Park			
Powys	26%	6%	68%
Rhondda, Cynon, Taf	80%	0%	20%
Swansea	-	-	-
Torfaen	-	-	-
Vale of Glamorgan	65%	35%	0%

* Unlike the figures in Tables 3.3 and 3.4, above, crushed rock sales exclude slate

** Denbighshire was omitted from Table 9k of the AM 2014 report, so the figures shown here are from AM 2009.

Agreed Methodology

- 3.43 The foregoing analysis indicates that there is very little clarity in terms of likely future trends in the demand for construction aggregates in Wales. As noted earlier, a decision was therefore made that the RTS should focus on matching future aggregates provision with a combination of historical sales data and the planned requirements for housing construction in Local Development Plans, rather than relying on any kind of detailed econometric forecasting.
- 3.44 Given that the relationship, such as it is, between house construction and aggregate sales is demonstrable at the national level, but not at regional or sub-regional levels, it is logical that figures for future provision should be set at the national level, and subsequently cascaded down to the regions, sub-regions and individual LPAs.

3.45 Following a detailed consideration of several options and permutations, the methodology agreed with the RTS Steering Group¹² was that this should entail four sequential stages, as set out below.

STAGE 1: National Provision

- Calculate the overall level of future aggregates provision in Wales at a national level by combining the historical sales average (taking the highest of the 10-year and 3-year averages for each LPA, for the reasons given in para. 3.8 above) with a factor which reflects the planned level of future housing construction activity, compared with that seen over the same 10-year baseline period (for details, see Chapter 5);

STAGE 2: Regional Split

- Divide the national figure between North Wales and South Wales, on the basis of the historical sales split between those regions which, as noted in paragraph 24 of MTAN1, has remained reasonably consistent over many years;

STAGE 3: Sub-Regional and LPA Apportionments

- Sub-divide the regional figures between a series of seven **sub-regions** (defined for the purpose of this Review¹³) and, *provided that it is feasible to do so*, between each of the constituent Local Planning Authorities (LPAs).
- In most cases, the distribution of apportionments within each sub-region is to be achieved through a combination of quantitative and qualitative judgements, exercised by the RTS Steering Group and facilitated by the appointed consultant. The judgements should aim to reflect the Steering Group's collective understanding of market requirements (reflecting both historical sales and the distribution of planned housing activity) together with considerations of existing landbanks, the proximity principle and environmental capacity.
- In a few areas, notably where there has been no production of land-won aggregates for many years, with no permitted reserves and zero apportionments, it might sometimes be more appropriate for the RTS apportionments to be subject to more detailed investigation by all of the LPAs within that particular sub-region and to industry responses to future calls for sites within those LPAs. In such cases, LPA apportionments will still be recommended but the possibility of alternative (more sustainable) sub-regional patterns of supply being found through sub-regional collaboration between LPAs and industry will be noted;

¹² comprising Welsh Government, the two RAWP secretaries, National Resources Wales, the Mineral Products Association, the British Aggregates Association and representatives of one local authority from each Region

¹³ The sub-regions were created, at Welsh Government's suggestion, for the specific purpose of facilitating strategic minerals planning and collaborative approaches between LPAs. They each represent distinctive 'market areas' between which there is relatively little movement of aggregates, except for exports to England, and within which detailed, strategic consideration can be given as to the most appropriate patterns of supply.

STAGE 4: Sand & Gravel / Crushed Rock Split, and Allocations

- Sub-divide each LPA apportionment by aggregate type (sand & gravel or crushed rock), based on the recent historical sales split for that LPA and/or resource availability;
- Then determine the requirements for new allocations within individual LPAs by comparing the apportionment requirements over 22 years (for sand & gravel) or 25 years (for crushed rock)¹⁴ with existing landbanks.

3.46 Further details regarding the implementation of this methodology are presented in Chapter 5, below but first, to inform the qualitative element of Stage 3, it is useful to review the nature and adequacy, or otherwise, of the existing pattern of supply.

¹⁴ These derive from the minimum landbank requirements of 7 years for sand & gravel and 10 years for crushed rock, being required throughout an *entire* 15-year plan period, as set out in MTAN 1.

4. Analysis of the Existing Supply Pattern

Introduction

- 4.1 Planning Policy Wales, paragraph 5.14.1 requires that, in order to provide for society's ongoing needs there should be a steady and adequate supply of construction-related minerals and mineral products. Paragraph 5.14.2 highlights the need to balance this fundamental requirement with the protection of amenity and the environment. This goes to the heart of the RTS process and requires that, as well as balancing supply and demand, consideration is given to the adequacy or otherwise of the existing pattern of supply, from a sustainability perspective. As explained in Chapter 2, this requires at least qualitative assessment of the pattern with respect to both proximity and environmental capacity.
- 4.2 In the original (2008) RTS, proximity was only considered in terms of the 'per capita' demand analysis which, as noted earlier, is difficult to justify. There is little, if any, correlation between aggregate sales and population size. Population density, together with the location of existing urban development, were examined, qualitatively, in the First Review, to provide some indication of the geographical areas where new construction is most likely to be concentrated. Proximity to such areas was seen as one measure of the sustainability of existing quarries, and a desirable factor in the location of new ones - subject, of course, to the availability of resources in those locations and to the consideration of other practical and environmental factors. In the present review, as well as population density, the additional factor of planned housing construction is also being considered.
- 4.3 The concept of environmental capacity was considered, in the original RTSs, only in terms of providing qualitative descriptions for each LPA, based on outputs from the IMAECA analysis. It had no influence at all on the resulting apportionments or allocations (although future working within National Parks was discouraged as a more general matter of Policy - paragraphs 21 and 22 of the former MPPW; and paragraphs. 46, 49, 51, 52 & 53 of MTAN1).
- 4.4 In the course of the First Review, a determined attempt was made to use both the proximity principle and environmental capacity to better effect, in conjunction with an understanding of resource availability and historical supply patterns, in order to enhance, if possible, the spatial distribution of future supply sources. That process is continued in this Review, taking account of the additional information now available on the spatial distribution of planned future housing provision.
- 4.5 In considering such enhancement, it must be remembered that supply patterns are crucially dependent on the availability of suitable resources and on the commercial viability of working them. Minerals can only be worked where they are found. Moreover, they can only be worked on a commercial scale where quarry operators are willing to invest in their extraction, and in the procedures necessary to avoid (or minimise) potential adverse environmental impacts. In most cases, the detailed economic and commercial factors involved for individual sites cannot adequately be assessed at the strategic level represented by the RTS.

- 4.6 It must also be remembered that improved proximity might sometimes be at the expense of reduced environmental capacity; whilst improved capacity might be at the expense of increased transportation distances, with consequential increases in carbon emissions and traffic impacts. The two factors therefore need to be considered in combination.
- 4.7 Consideration also needs to be given to other factors, including the relative merits of extensions to existing quarries as opposed to new ‘greenfield sites’; the need to avoid stifling competition between different operators; and the need to maintain productive capacity – both to maintain a healthy degree of competition between different operators and to ensure that the supply pattern has the necessary resilience to be able to cope with periodic spikes in demand (as, for example, may be associated with major infrastructure projects or other large-scale development initiatives).
- 4.8 These detailed issues can most effectively be dealt with at a local level, however, once the overall strategy has been established. For this reason, the following analysis begins with a consideration of the broad, national and regional picture, with more detail being provided in the sub-Regional analyses presented in Appendices A and B. The key findings are then carried through to the assessment of future apportionments and allocations, in Chapter 5.

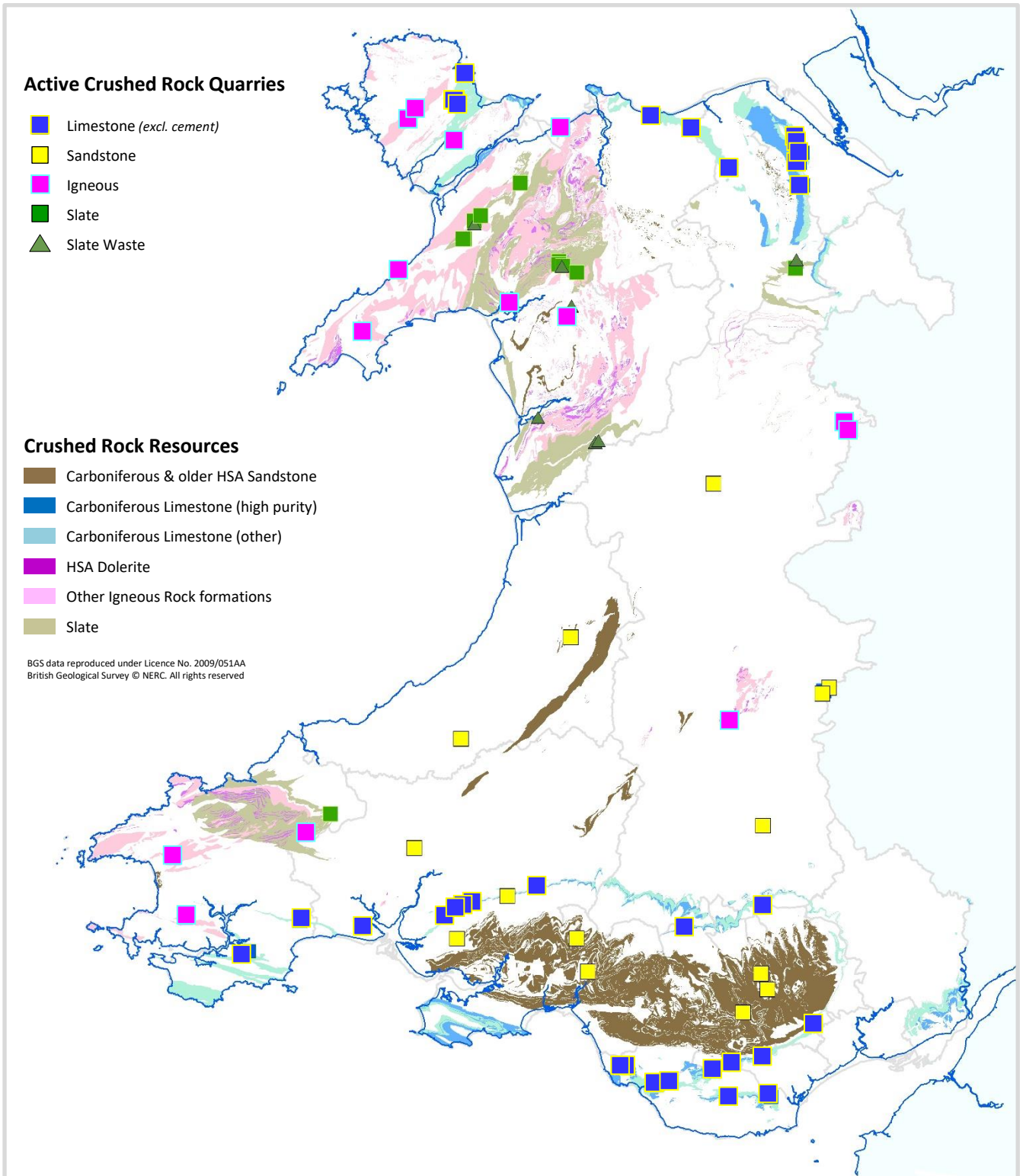
National and Regional Analysis

Distribution of Quarries and Resources

- 4.9 As noted above, the distribution of suitable geological resources is of fundamental importance in understanding the distribution of existing quarries, and in understanding the limitations involved in locating potential new ones. Once again, it is important to stress that minerals can only be worked where they are found.
- 4.10 Figure 4.1, below, shows the distribution of crushed rock quarries in Wales which were active in 2018, together with the outcrops of the key resources. The quarry locations are taken from an updated edition of the BGS ‘Britpits’ database¹⁵, limiting the selection to those which produce hard rock aggregates, either as a primary product or (in the case of slate waste tips) as a secondary material. Larger scale maps, which show the locations of inactive and dormant, as well as active quarries, are presented in the more detailed analysis contained within the Regional Appendices (A and B).

¹⁵ A 2018 edition of the Britpits database was supplied by the BGS at the outset of this study but was then updated by the RAWP secretaries, particularly in terms of current operational status and ownership.

Figure 4.1: Active Crushed Rock Aggregate Quarries and Resources in Wales, 2018



4.11 The resource outcrops on Figure 4.1 are taken directly from the digital dataset produced for the BGS Mineral Resources Map of Wales (Humpage & Bide, 2010), but are limited to those resources which are important for the production of crushed rock aggregates. These include all 'Category 1' resources, as identified on the BGS

maps, and some (but not all) 'Category 2' resources. They fall into seven main groups, as follows:

- Carboniferous HSA sandstones (Category 1)
- Pre-Carboniferous HSA sandstones (Category 2)
- High Purity Carboniferous Limestone (Category 1)
- Other Carboniferous Limestone (Category 2)
- HSA dolerites (Category 1)
- Other igneous rock formations (Category 2)
- Slate (Category 2)

4.12 The term 'HSA' refers to 'High Specification Aggregate', which is suitable for use as skid-resistant road surfacing aggregate as defined in the original 'Travers Morgan' report on these materials for the former Department of the Environment (Thompson, Greig & Shaw, 1993). They are characterised by a high Polished Stone Value (PSV \geq 58) in combination with a low Aggregate Abrasion Value (AAV \leq 16) and tend to command a premium price compared with other types of road aggregate. They are also transported over much greater distances in order to meet specification requirements in areas which have no comparable indigenous resources (which includes most of eastern and southern England). HSA aggregates in Wales include certain types of hard sandstone (particularly the Carboniferous 'Pennant' Sandstones of the South Wales coalfield, and some older sandstones - mainly within Powys), and certain types of dolerite (a particular variety of igneous rock) which occurs within various parts of south-west, north-west and mid-Wales.

4.13 It should be noted that some of the extensive sandstone formations within mid-Wales and North Wales that were identified as potential HSA resources within the 1993 Travers Morgan report have since been refined by the most recent and more detailed BGS resource mapping, such that only parts of those resources are now identified as potential sources of HSA material on a commercial scale.

4.14 The usual caveat should be added that not all of the outcrops, of any of the rock types or formations listed at para. 4.11, above, will necessarily be suitable for commercial quarrying. This is because all geological materials are inherently variable, from one part of their outcrop to another. Moreover, the commercial viability of extraction is also influenced by a large number of other practical issues including the local extent of the deposit, land ownership, access, and distance from market, as well as planning and environmental constraints.

4.15 Above all, it must be emphasised that Figure 4.1 (and Figure 4.2 below) displays the extent of potential **resources** and not **permitted reserves**. Resources are geological materials, including rock formations and naturally occurring sand & gravel deposits, which have the *potential* to be used for a particular purpose (in this case as construction aggregates). Reserves, in the broadest sense, are those parts of a resource which are *known* to be suitable for this purpose (usually as a result of detailed ground investigations and laboratory testing) and permitted reserves are

those which have valid planning permission for the winning and working of the materials in question.

- 4.16 Excluded from Figure 4.1 are a range of weaker sandstones and limestones, including some 'Category 2' resources, which are not currently exploited as sources of crushed rock aggregate on anything other than an extremely local scale (e.g. for use on farms etc.), and where this is most unlikely to change in future, because of their inherent unsuitability for more commercial applications. Such resources include all Devonian sandstones and all post-Carboniferous sandstones and limestones. Whilst many of these have been identified by the BGS as being worthy of safeguarding within Local Development Plans (Wrighton & Humpage, 2012), they do not represent practical alternatives to the resources listed above, in terms of their ability to meet the same commercial specifications and are therefore not considered further here.
- 4.17 Figure 4.2, below, provides a similar map of the distribution of land-based sand & gravel pits, together with the corresponding potential resources. The latter are once again taken largely from the BGS Mineral Resources Map of Wales and include a wide range of sediments which have potential as sources of natural aggregate. The same caveats apply as for the crushed rock resources noted above.
- 4.18 Figure 4.2 also shows, within NW Wales and SE Wales, more specific potential resource blocks which were identified in more detailed studies carried out for the National Assembly for Wales (Thompson et al., 2000; University of Liverpool, 2003). These are not necessarily the only potential worthwhile resources, but they are the most rigorously assessed, within the areas concerned.
- 4.19 Figure 4.3, which follows, shows the areas which are within an illustrative 20km radius of one or more currently active crushed rock quarries; and Figure 4.4 provides a similar illustration in respect of both land-based sand & gravel quarries and ports which receive marine-dredged aggregates (principally sand).
- 4.20 In most cases, the economic radius of distribution from these locations is considerably greater than 20km: typically up to 50km for 'ordinary' graded aggregate or further in the case of value-added products (e.g. ready-mixed concrete and asphalt materials) that are often produced at remote depots for onward distribution, and much further still in the case of High Specification Aggregates or High Purity limestone.
- 4.21 The diagrams merely illustrate that the existing pattern of supply within Wales already conforms reasonably well to the Proximity Principle: very few parts of the country (those shown in black on Figure 4.3) are more than 20km from a source of crushed rock aggregate and many of those which are further away fall within 20km of either a land-based sand & gravel pit or a wharf which imports marine-dredged aggregates. Elsewhere, the distances are more than 20km but rarely more than 30km, and in most cases these are remote rural areas which are unlikely to generate significant levels of demand.

Figure 4.2: Land-based Sand & Gravel Pits and Resources in Wales, 2018

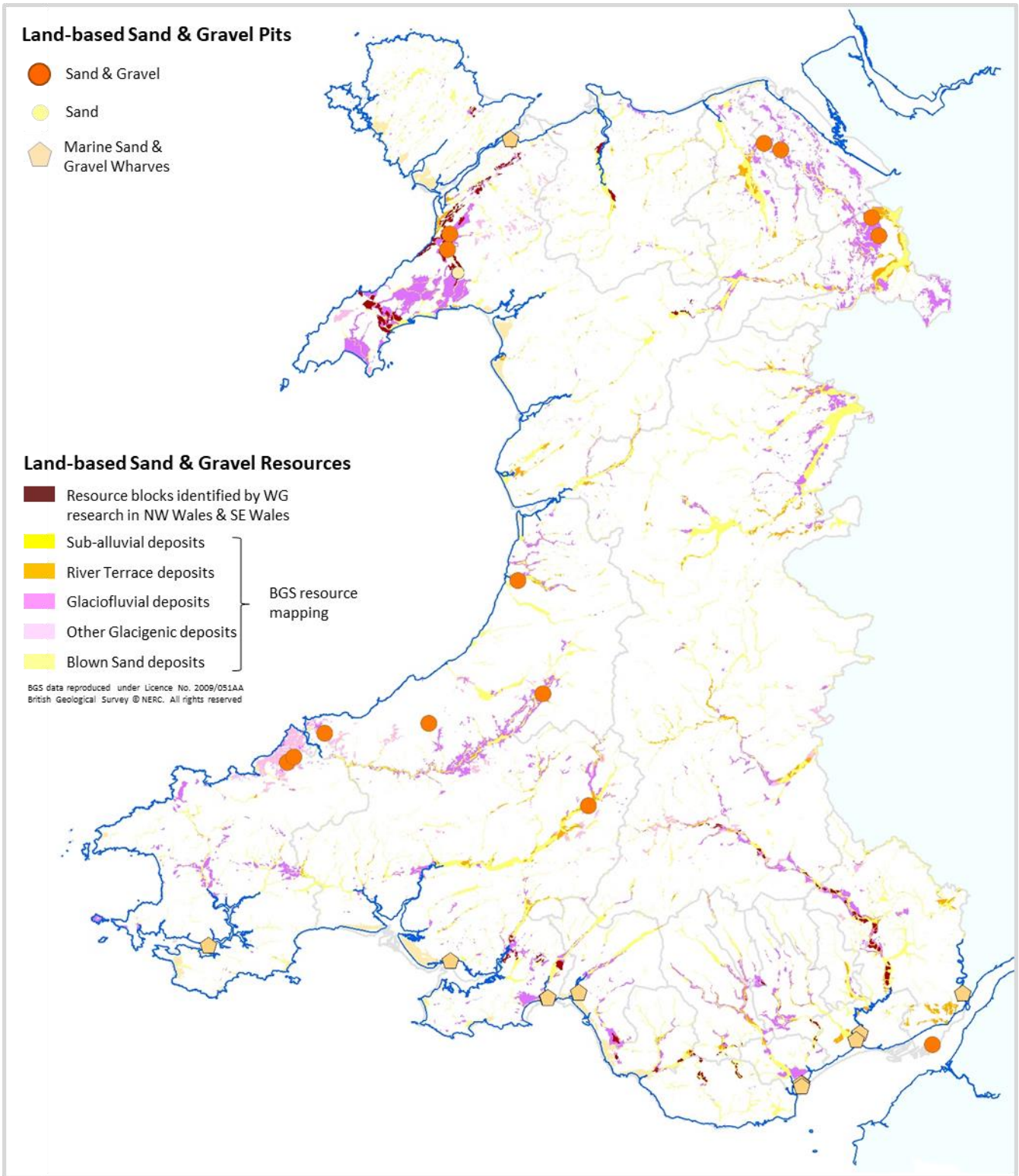


Figure 4.3: illustrative 20km radii from all active crushed rock quarries in Wales, 2018.

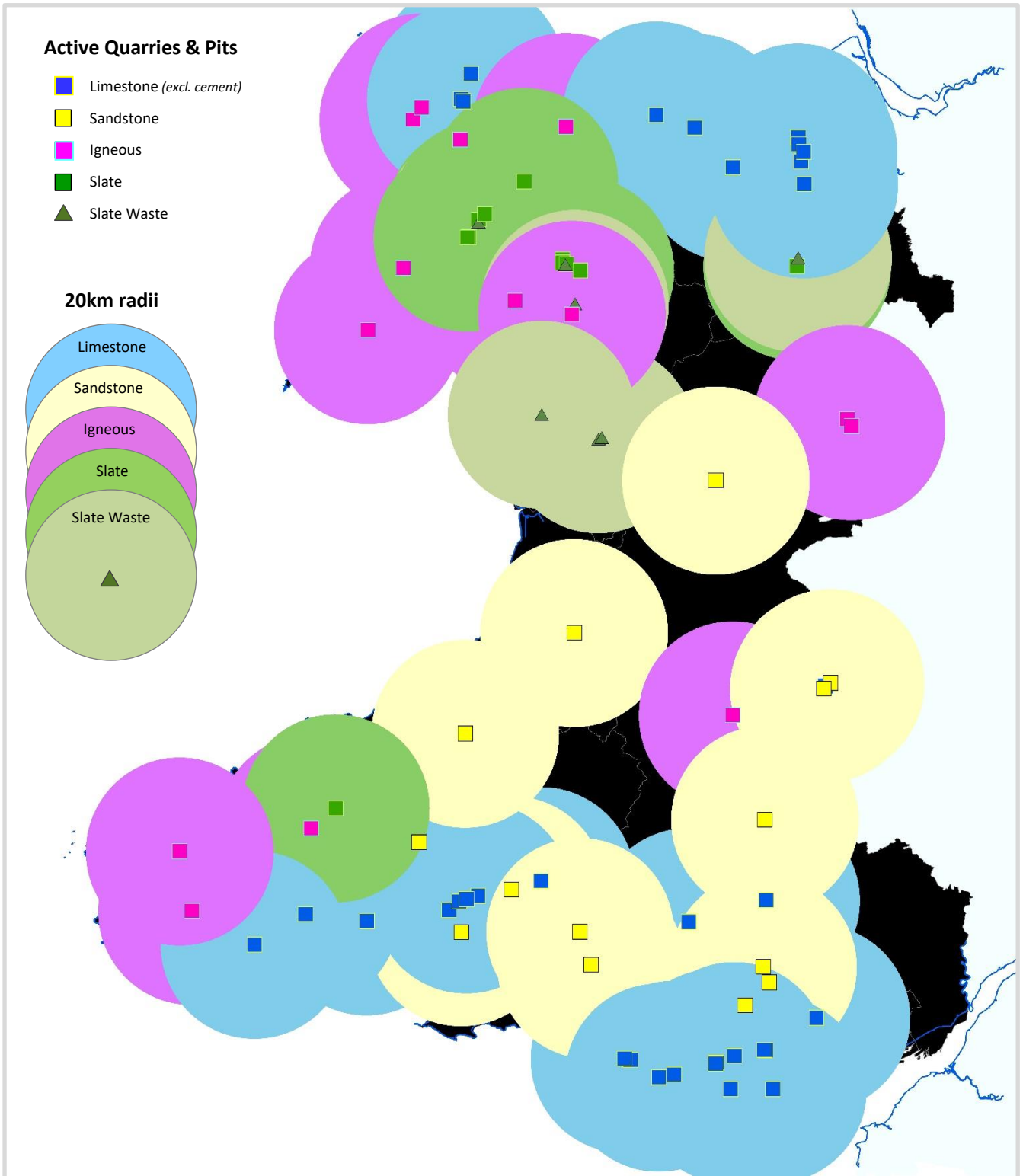
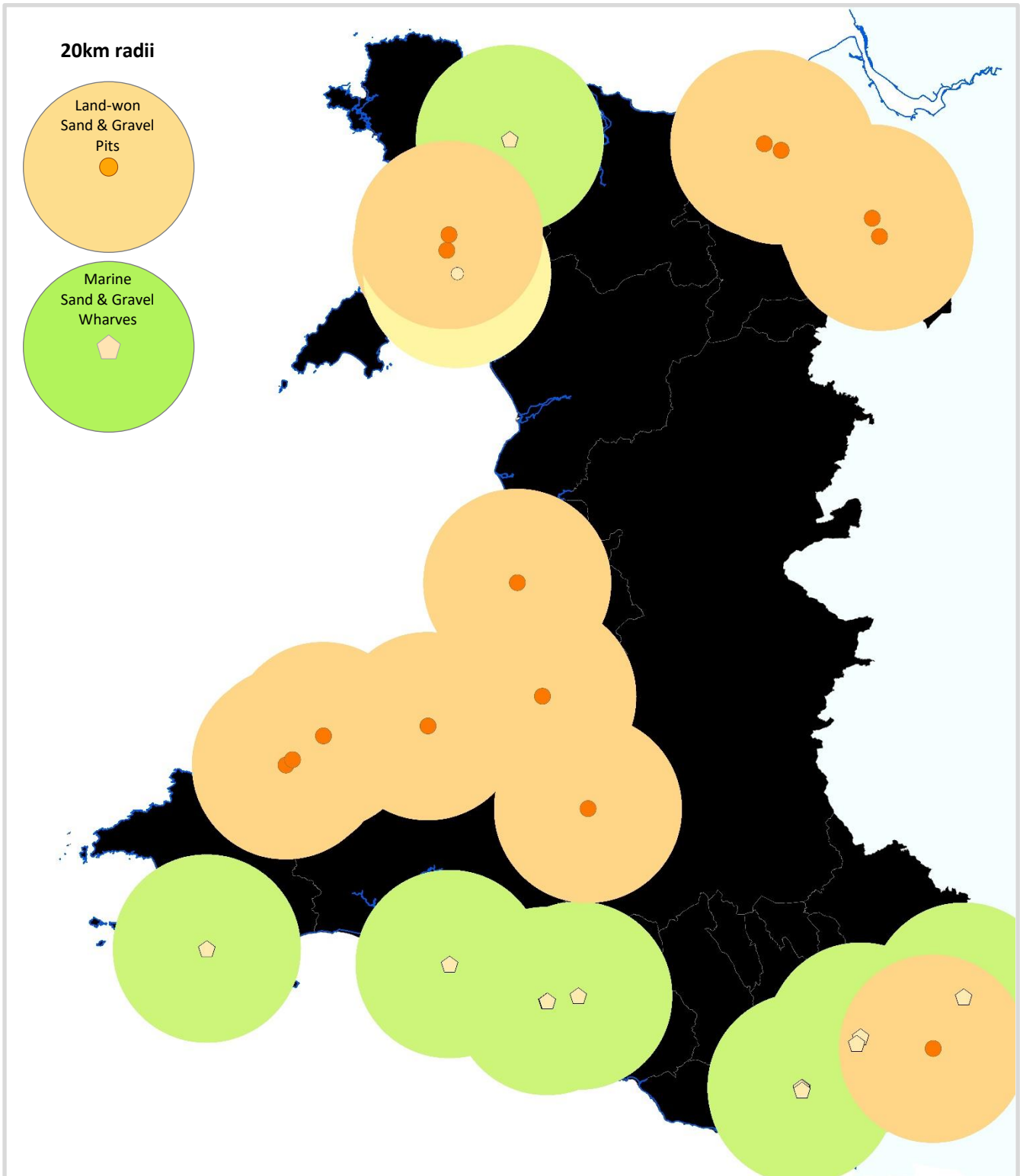


Figure 4.4: illustrative 20km radii from all active sand & gravel pits & wharves in Wales, 2018.



4.22 Figure 4.5, below, shows the distribution of crushed rock quarries in relation to the scale of crushed rock aggregate production, as measured by average historical sales figures for each LPA over the baseline period (2007-2016). The shading corresponds

to the figures given in Tables 5.4 and 5.6 in Chapter 5¹⁶. It is emphasised that this illustrates variations in production, not demand, and therefore includes both domestic consumption and exports to adjoining areas, including England. Figure 4.6 then provides a similar map for land-based sand & gravel production, displaying the data from Tables 5.3 and 5.5.

- 4.23 The focus of production for crushed rock is clearly seen, from Figure 4.5, to be in North-East Wales - particularly Flintshire (which is where most of the exporting Carboniferous Limestone quarries are located); and in Powys, where a number of sandstone and igneous rock quarries supply HSA material to England - particularly to adjoining parts of the West Midlands. In the rest of South Wales the picture is distorted by the much smaller size of many of the individual unitary authorities, particularly in the south-east, where the totals for each LPA are less than for the much larger county of Powys, even though overall production within SE Wales is double the total for Powys.
- 4.24 Historical crushed rock sales in South Wales have been concentrated within the Carmarthenshire, Bridgend, Vale of Glamorgan, Rhondda Cynon Taf and Cardiff LPAs (which is where most of the larger Carboniferous Limestone quarries in South Wales are located), and in the adjoining LPAs of Caerphilly and Neath Port Talbot, where additional HSA sandstone quarries are also located. Whereas much of the crushed rock production within NE Wales is supplied to the neighbouring parts of North West England, particularly Merseyside, most if not all of the limestone production in South East Wales appears to be utilised locally, within the producing areas, and within the adjoining LPAs of Swansea and Neath Port Talbot, to the west, and those of Merthyr Tydfil, Caerphilly and the 'Former Gwent' authorities to the east. Although Carboniferous Limestone resources do exist in these adjoining areas, they are either less extensive and/or more heavily constrained (see Appendix B for more detailed analysis).
- 4.25 The fact that little or none of the limestone from South Wales is exported further east, into England, is evidenced by the fact that additional Carboniferous Limestone from the Forest of Dean in Gloucestershire is currently being imported into the former Gwent area to make up for what would otherwise be an overall shortfall of supply. Although SE Wales has significant exports of crushed rock to England, most if not all of those exports are of HSA from the Pennant Sandstone formations of the South Wales Coalfield.
- 4.26 Overall, the pattern of crushed rock aggregate production outlined above relates largely to the availability of resources, the location of established supply units and the proximity of these to the main areas of construction activity and/or to major transport routes such as M4 corridor. Further analysis of the supply pattern, including the relationships between quarry locations, resources, markets, major designations and environmental capacity, is provided in paragraphs 4.30 *et seq.*, below, and in the two Regional Appendices.

¹⁶ The exception being Snowdonia National Park, which is combined with Conwy in Table 3.1, for confidentiality reasons, but which in fact had very limited production over the baseline period, from a single site.

Figure 4.5: Spatial Distribution of Crushed Rock Production within each LPA, based on Average Sales 2007 - 2016, with locations of Active Crushed Rock Aggregate Quarries (2018)

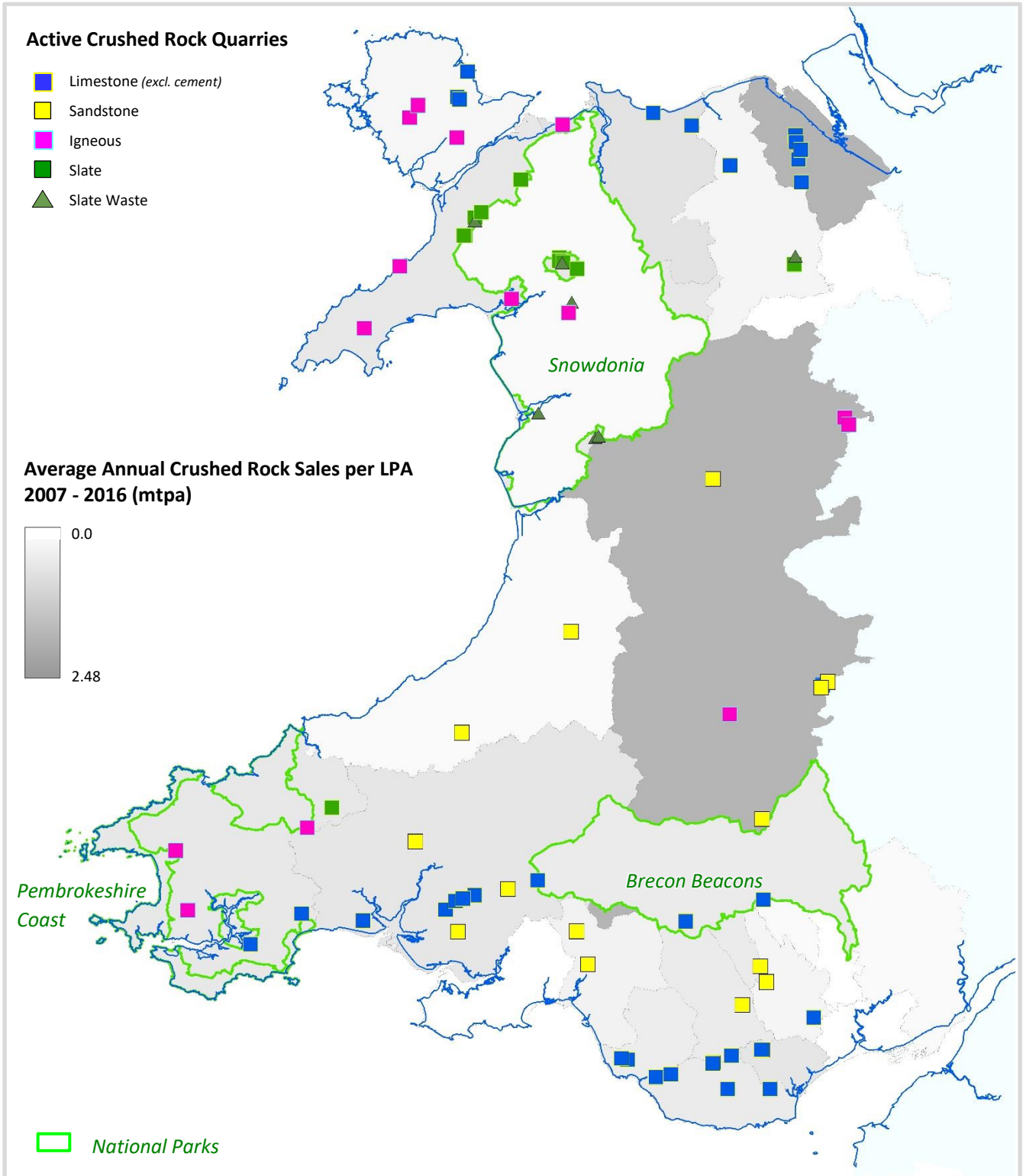
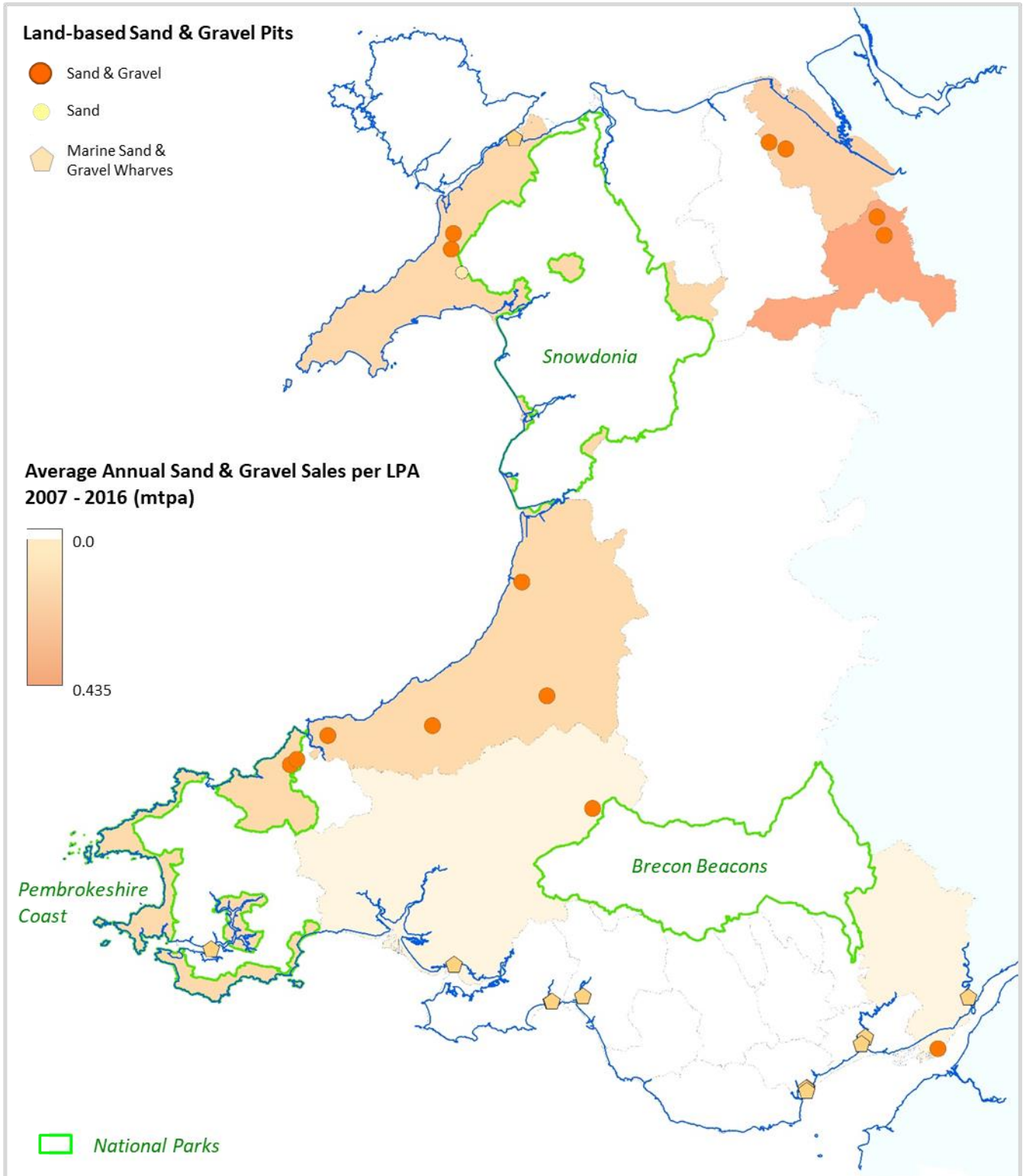


Figure 4.6: Spatial Distribution of Land-won Sand & Gravel production within each LPA, based on Average Sales 2007 - 2016, with locations of Sand & Gravel Pits (2018)

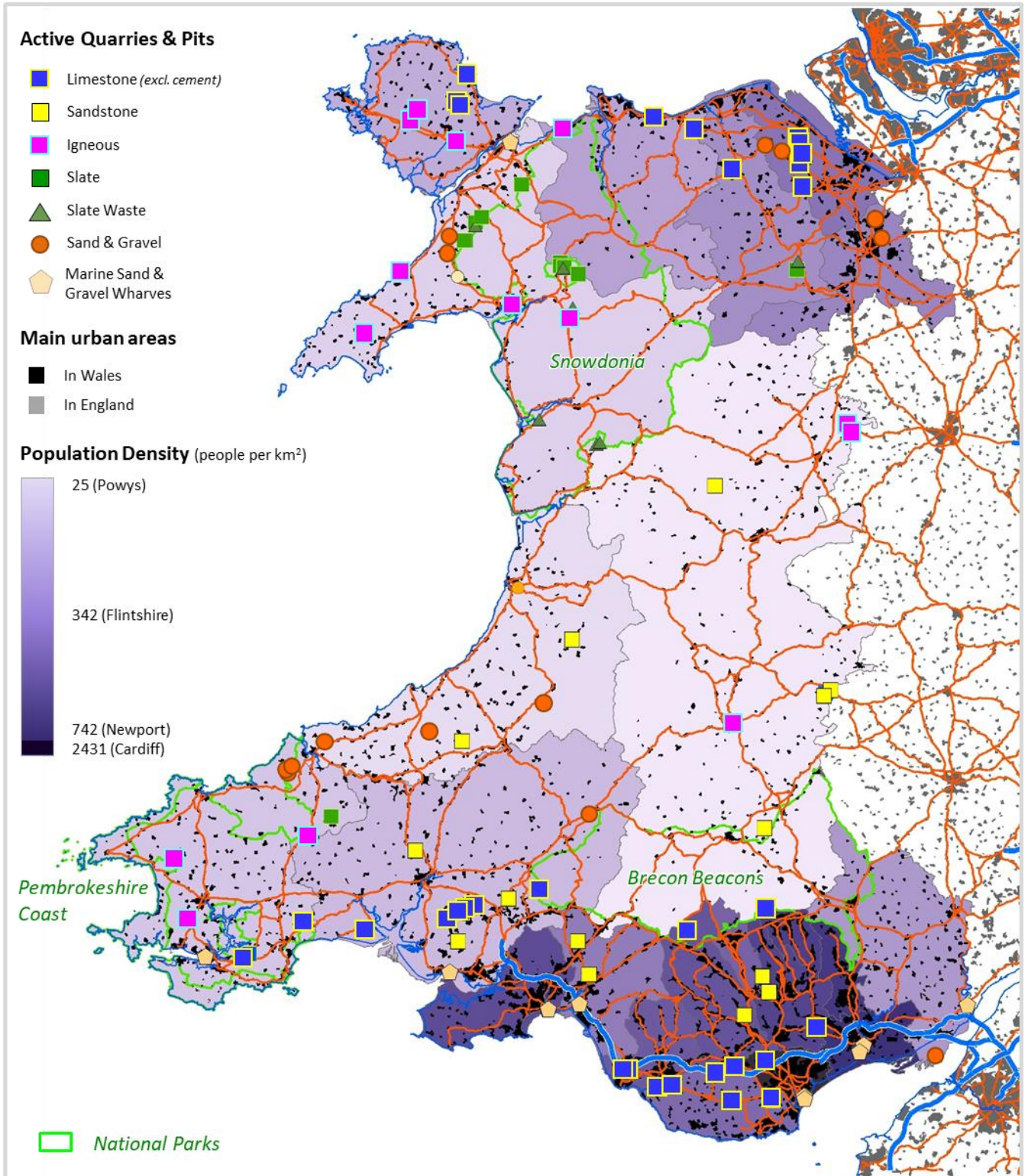


- 4.27 Looking to the future, any undue reliance on historical supply data would inevitably reinforce and perpetuate the same patterns of supply. More careful consideration is therefore needed where such reliance would unnecessarily perpetuate adverse environmental effects or unjustified inequalities in the balance of supply between neighbouring authorities (see also para. 4.27, above); or where undue reliance might otherwise be placed on the continued availability of supplies from an adjoining LPA or country (e.g. imports from Gloucestershire into SE Wales). In addition, any imposed change to the existing supply pattern may, in some cases, either necessitate working less suitable, thinner or otherwise less viable resources, where these exist, or (in some cases at least) may entail increased transportation distances, with consequential increases in carbon emissions and traffic impacts. All of these issues are explored in more detail in the sub-regional analyses within Appendices A and B.
- 4.28 In the case of sand & gravel production, as illustrated in Figure 4.6, the picture is greatly distorted by the reliance of South East Wales, in particular, on marine-dredged aggregates from the Bristol Channel and the Severn Estuary. South West Wales is less dependent on marine aggregates and has a small number of active land-based sites. Powys is too far removed from the coast to be influenced to any significant degree by marine aggregates, but still has only one very small land-based sand & gravel site currently in operation. It is reliant instead on crushed rock material, despite the apparent resources of natural sand & gravel within the upper reaches of the Severn, Wye and Usk valleys. In North Wales, there are, once again, apparently plentiful resources of natural sand & gravel in Gwynedd (as indicated in both BGS and Liverpool University mapping) but the supply pattern is dominated by one major quarry within Wrexham and (to a much smaller extent) by two further units within Wrexham and two or three others in Flintshire. Further details are given in the Regional Appendices.
- 4.29 Overall, in South Wales and much of North Wales, the relative lack of land-based sand & gravel production is influenced to a very large extent by environmental and landscape concerns, as well as by the relative ease of availability of alternative materials (marine aggregates, crushed rock and slate, including slate waste).

Comparison of the Supply Pattern with Population Density and Transport Links

- 4.30 Figure 4.7, below, shows the distribution of all currently active quarries and pits throughout Wales in relation to variations in population density by local authority area. It also shows urban areas, A-roads and motorways. Additional local roads, not shown on this map, will also be utilised close to individual quarries, distribution depots or customer locations. Together, the areas of high population density and the main urban areas provide a good indication of where construction activity, as a whole, is most likely to be concentrated, but the locations of major transport routes, such as the A55 in North Wales, and the M4 corridor in South Wales have important influences on export distribution. The map does not show railways, which are generally not used for aggregate distribution, though they are important for a few of the quarries in the South Wales coalfield area and along the North Wales coast.

Figure 4.7: LPA Population Densities (2010) and main urban areas, as approximations for the overall pattern of demand for construction aggregates, with motorways, A-roads, national landscape designations and locations of all active quarries & pits (2018)



- 4.31 In North Wales, the highest population density occurs within Flintshire and Wrexham, coinciding with the highest levels of crushed rock and sand & gravel output, respectively, within that region (see figures 5.5 and 4.6, above). The road network in these areas also provides ease of access for exports into the conurbations of North West England, including the Wirral, Liverpool and Warrington. The main apparent anomaly here is the absence of crushed rock production within Wrexham. Although Carboniferous Limestone resources do exist in the western part of this authority, they fall almost entirely within the Clwydian Range & Dee Valley AONB. It will generally not be appropriate for new allocations to be identified within such areas, unless there are no viable alternatives within neighbouring Flintshire or Denbighshire. This is discussed at greater length in Appendix A, as is the need to maintain sand & gravel supplies within North West Wales by developing further resources in Gwynedd.
- 4.32 In South Wales, there is some coincidence between the areas of high population density and urban areas, on the one hand, and the distribution of crushed rock sales and quarries, on the other, but the relationship is less clear than in the north and the need for adjustments to the future supply pattern is, in some cases, more compelling. In particular, the areas of Newport, Torfaen, Blaenau Gwent and Caerphilly have higher population densities than those of the Vale of Glamorgan, Bridgend and RCT, but it is in the latter areas where most of the Carboniferous Limestone outcrops and quarries are located. Similarly, Swansea has a high population density but no active quarries or pits, relying instead on neighbouring Carmarthenshire for most of its limestone supplies, on Neath Port Talbot for supplies of road surfacing aggregate, and on marine dredged sources landed at Swansea Wharf for building sand. As with Wrexham in North Wales, Swansea does have indigenous resources of Carboniferous Limestone but again these are almost entirely within an AONB designation – that of the Gower Peninsula.
- 4.33 As noted in the First Review, the distribution of crushed rock quarries in this area as a whole is therefore not ideally matched with the main areas of demand, suggesting that there may need to be some adjustment in terms of future apportionments, on the grounds of proximity. This, however, needs to be examined in more detail and balanced against both environmental capacity and commercial factors – not least including the availability or otherwise of workable resources within and outside national landscape designations. Further commentary on this is given in Appendix B.
- 4.34 In mid Wales, there is a marked contrast between the very low population density of Powys and the high level of demand placed upon that County, in terms of crushed rock sales (compare Fig 4.7 with Fig 4.4). This, as noted earlier, is primarily due to a number of large quarries within Powys which export High Specification Aggregates by road to markets in England. Taking that into account, together with the distribution of these important resources, these quarries are clearly well-placed in terms of proximity to the relevant markets and transport routes.

Comparison of the Supply Pattern with Planned Development

- 4.35 Consideration also needs to be given to the distribution of supply sources in relation to that of the planned distribution of new housing provision since, as explained in Chapter 3, this is likely to have an important influence on the location of future aggregate consumption. Figure 4.8, below, therefore illustrates the distribution of active quarries in relation to the annualised housing requirement set out in Local Development Plans.
- 4.36 In this case, the indicated pattern of consumption is somewhat closer to the pattern of supply, than is the case when looking at population density. In South East Wales, especially, the housing requirement figures are relatively modest in Blaenau Gwent, Torfaen and Monmouthshire, which are served by only a single quarry, but the anomaly is still seen in Swansea, which has the second highest housing requirement figures, after Cardiff.

Comparison with Environmental Capacity

- 4.37 Figure 4.9, below, compares the distribution of active quarries with the spatial variations in Environmental Capacity across most (but not all) of Wales, as indicated by the 'combined scores' from the IMAECA Geographic Information System tool developed by Enviro Consulting Ltd. (2005). As explained more fully in paragraphs 2.14 et seq., above, the tool provides values, relative to arbitrary thresholds between the three coloured categories, for each 1km square which was assessed by the IMAECA project. The areas assessed were identified on the basis of whether or not aggregate resources were present within all or part of each square. Areas which were considered not to contain such resources were not assessed, which is why many parts of the country are left blank.
- 4.38 It should be noted that, whilst the GIS tool allows separate results to be shown for different resource categories, those categories do not entirely match with the current BGS mineral resource maps and the resource outlines are therefore quite different. It is therefore more useful to look at the overall picture, as shown in Figure 4.9 (and, at a slightly larger scale but at the same level of detail, in the various maps which accompany the sub-Regional analysis in Appendices A and B).
- 4.39 It must be emphasised that the IMAECA results are intended only to provide a very broad indication of the capacity of different areas to accept the environmental impacts of additional quarrying activity. They are necessarily generalised and are specifically *not* intended to take the place of conventional 'sieve-mapping' within individual Local Authorities, where more detailed constraint maps can be used and site-specific issues can be examined to determine the relative pros and cons of different factors.

Figure 4.8: Annualised Planned (LDP) Housing Requirements in LPAs and National Parks, as partial indicators of the pattern of demand for construction aggregates, with motorways, A-roads, and locations of all active quarries & pits (2018)

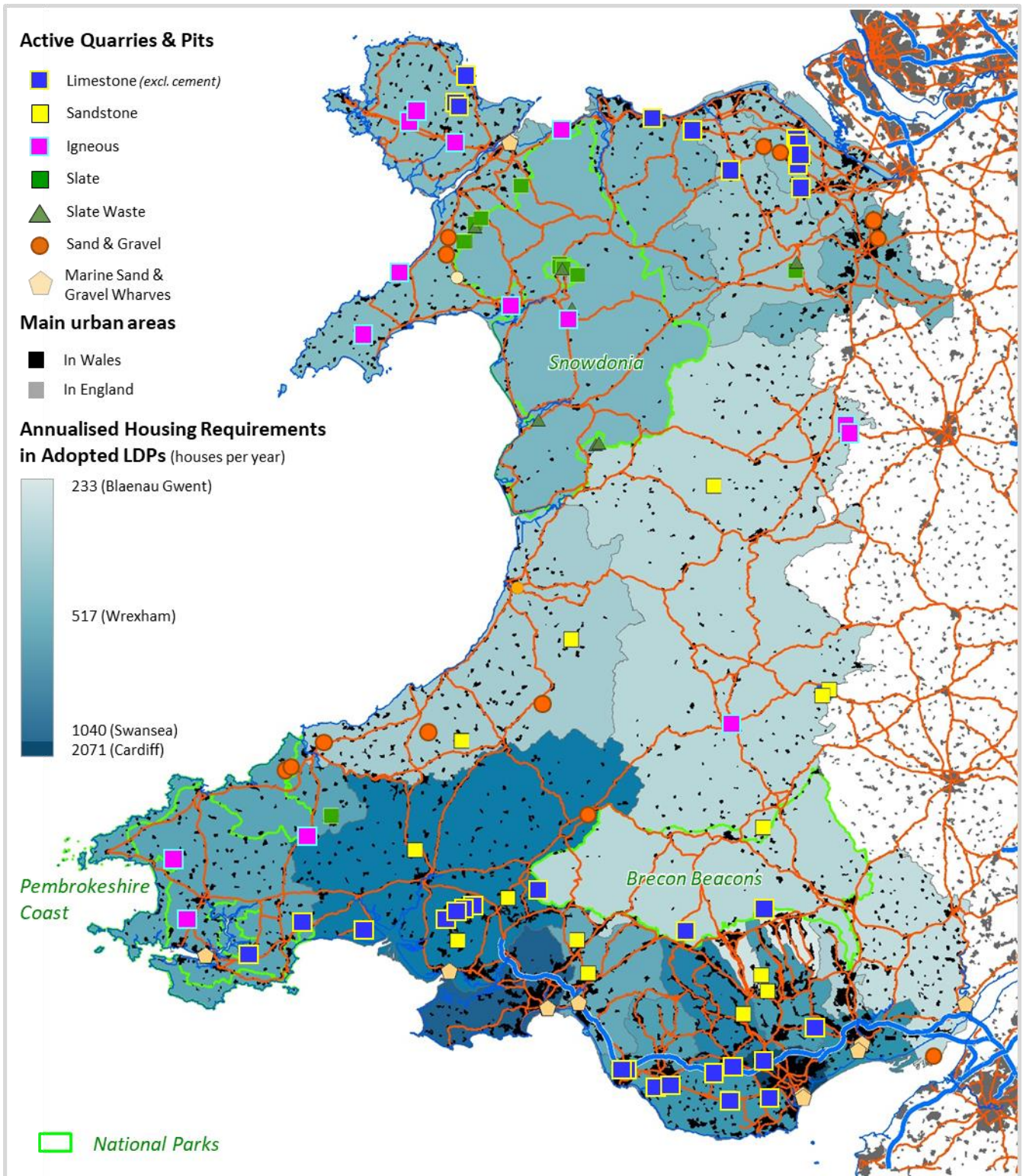
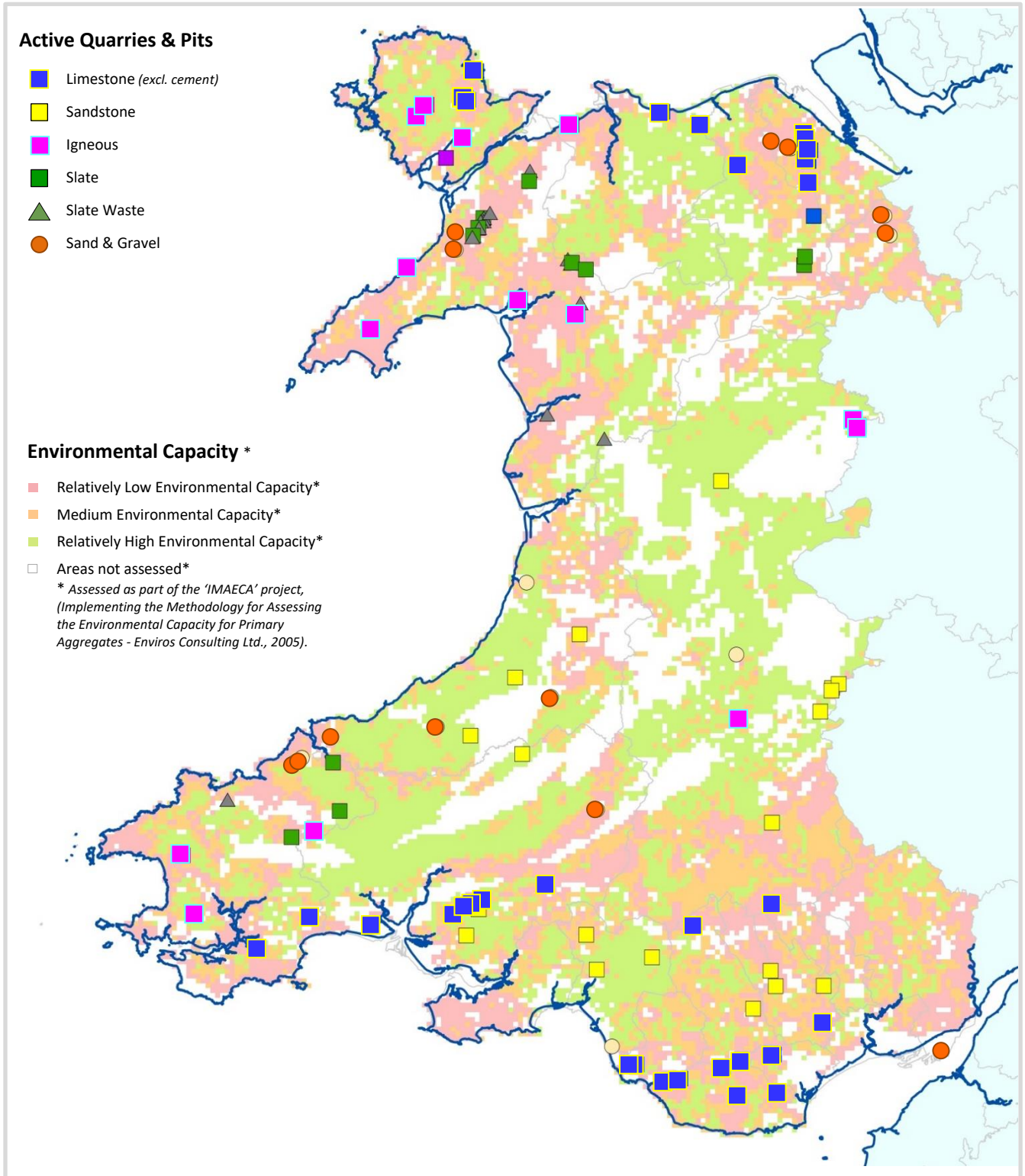


Figure 4.9: Environmental Capacity Assessment (combined scores for each km²), as assessed by the IMAECA project, with locations of all active quarries & pits (2018)



4.40 The IMAECA results have also been criticised for the fact that the presence of an existing quarry is treated, in the IMAECA analysis, as a factor which reduces the capacity for further quarrying in that area. Whilst there might be some justification for this, in terms of seeking to minimise cumulative impacts, it conflicts with the

widely-held notion that well-designed extensions to existing quarries are likely to be more acceptable, at least in terms of public perception, than the introduction of quarrying to previously undisturbed 'greenfield' sites.

- 4.41 Bearing all of that in mind, the IMAECA results nevertheless provide a useful starting point for comparing environmental capacity issues with other factors (including resource availability, proximity and commercial viability) in areas where the historical supply pattern is thought to be in need of improvement, from a sustainability point of view. This is examined further in the Regional Appendices (A and B), the key findings of which are summarised at the end of this chapter.

Sub-Regional Analysis of Supply Patterns

- 4.42 More detailed, sub-regional analyses of the inter-relationships between each of the various factors outlined above were taken into account during Stage 3 of the apportionment process, as summarised in Chapter 5, below. They are described more fully in the Regional Appendices for North Wales (Appendix A) and South Wales (Appendix B).

5. Assessment of Apportionments and Allocations

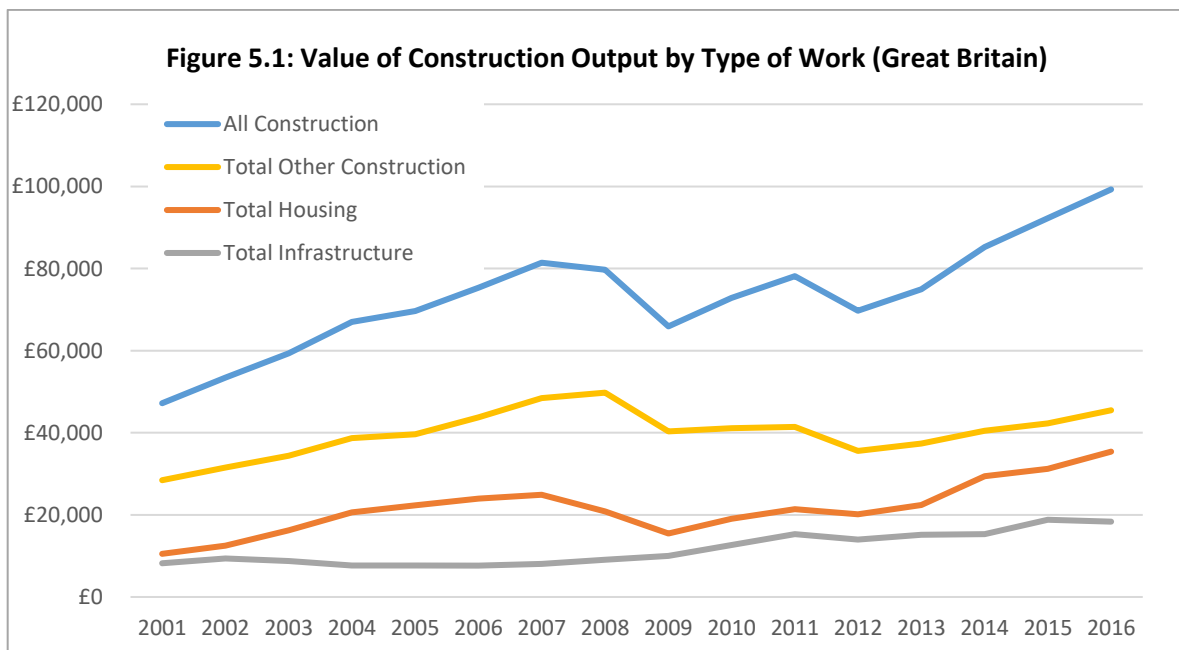
5.1 The foregoing review of the existing supply pattern feeds into the overall methodology for determining apportionments and allocations for future working, as set out in Chapter 3. This Chapter implements the four sequential stages of that methodology.

STAGE 1: Setting the National Level for Future Aggregates Provision

5.2 The agreed methodology begins by establishing the overall (national) level of future provision for all land-won primary aggregates in Wales. This is required to be assessed by combining historical sales data (using the highest of 10-year and 3-year averages, as explained in para. 3.8, above, and totalling 15.557mt) with a factor which reflects the planned level of future construction activity, compared with that seen over the same 10-year baseline period.

5.3 Housing is an important element of such activity and one for which quantified requirements and levels of provision are made in local development plans, in a way which can readily be related to aggregate consumption. Clearly, however, housing accounts for only part of the overall level of aggregate consumption. Before deciding on how best to use the housing figures, it is therefore useful to consider the overall breakdown of construction activity. Statistical information on this is not readily available for Wales, but a useful insight can be gained by using data for the whole of Great Britain, which is published annually by the Office of National Statistics (ONS).

5.4 Figure 5.1 and Table 5.1, below, derived from the ONS Construction Statistics Annual 2017, show how housing accounts for just under 30% on average of all new construction work, in terms of value, varying over time from 22% to 36%.



SOURCE: Combined public & private sector data from Table 2.4c in the ONS Construction Statistics Annual, 2017.
<https://www.ons.gov.uk/businessindustryandtrade/constructionindustry/datasets/constructionstatisticsannualtables>

Table 5.1: Percentage value of construction output by type of work, Great Britain. (SOURCE: as for Figure 5.1)

YEAR	2001	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16
Housing %	22%	23%	27%	31%	32%	32%	31%	26%	24%	26%	27%	29%	30%	34%	34%	36%
Infrastructure %	17%	18%	15%	11%	11%	10%	10%	11%	15%	17%	20%	20%	20%	18%	20%	18%
'Other' %	60%	59%	58%	58%	57%	58%	59%	62%	61%	56%	53%	51%	50%	48%	46%	46%

- 5.5 Major infrastructure projects can have a very substantial effect on the demand for construction aggregates within particular areas or regions. Whilst this needs to be reflected in the planning for future aggregates provision, the difficulty lies in the fact that such projects are rarely planned to a reliable delivery timescale and are susceptible to major political and investment decisions which are beyond the scope of the planning system (as demonstrated, for example, in the case of the proposed Swansea Tidal Lagoon, the Wylfa Newydd nuclear power station and the M4 Newport relief road). There is also considerable difficulty in quantifying the requirements for individual projects in terms of the need for construction aggregate. Overall, infrastructure accounts for between 10% and 20% of total construction value, averaging just under 16%. Its influence on overall demand is therefore likely to be much less than that of housing, and far more difficult to quantify.
- 5.6 The majority (more than half, on average) of total spending is associated with 'other' types of construction activity. These include schools & universities, offices, entertainment, hospitals, factories, warehouses and a variety of miscellaneous work. Whilst all of these will influence the overall demand for construction materials, in many cases the materials used are likely to be dominated by steel and glass, rather than aggregates. Moreover, whilst much of the building work is recognised in Local Development Plans, in terms of allocations for employment, hospitals, schools, etc., there is no mechanism for quantifying the aggregate requirements involved or for comparing planned activity with historical data.
- 5.7 In recognition of these various observations, and taking account of the close correlation between house building and aggregates provision; the fact that housing accounts for around 30% of all construction activity (at a GB level); and the fact that provision for house building is set to double (at a national level); it would seem justified to allow for a doubling of that 30% element of the overall supply. In other words, in order to ensure that adequate provision is made for the future supply of aggregates to support planned housing construction, the national level of overall provision should be set at 130% of the historical sales figure. The latter, as noted above, has been calculated as 15.557 mtpa. Applying a 30% uplift to this figure thus gives a **headline, national figure for future primary, land-won aggregates provision is calculated to be 20.224 mtpa.**
- 5.8 This figure is only marginally higher than the actual recorded sales total of 20.11mt for the year 2007 at the start of the baseline period, immediately prior to the economic recession, so is demonstrably not an unreasonable figure.

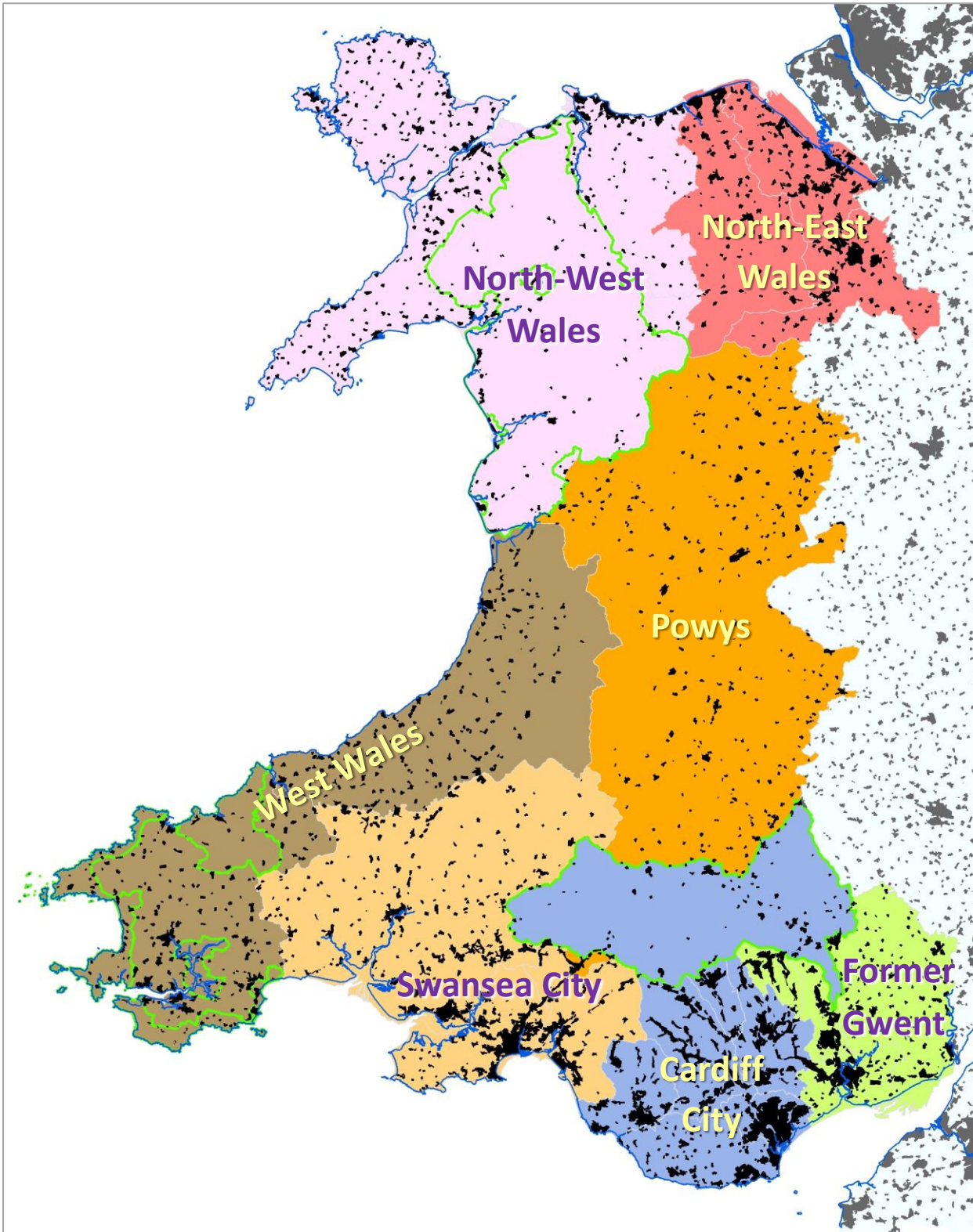
STAGE 2: Calculation of the Regional Split between North Wales and South Wales

- 5.9 Table 3.1, in Chapter 3, shows how the regional split of primary aggregate sales between North Wales and South Wales has varied only slightly over the baseline period, ranging from 34/66% at one extreme to 41/59% at the other. Over the period as a whole, the average split (calculated from the more detailed and updated figures in Tables 5.2 to 5.5, below) has been **38.26% / 61.74%**
- 5.10 Applying this ratio to the national total from para. 5.7 above gives the following headline apportionments for each of the two regions:
- **North Wales primary land-won aggregates: 7.738 mtpa**
 - **South Wales primary land-won aggregates: 12.486 mtpa**

STAGE 3: Calculation of Sub-Regional and LPA Apportionments

- 5.11 Stage 3 of the apportionment process requires that the regional figures are apportioned between a series of seven **sub-regions**, created for the purpose of the RTS and, *provided that it is feasible to do so*, between each of the constituent Local Planning Authorities (LPAs).
- 5.12 The sub-regions were created, at Welsh Government's suggestion, for the specific purpose of facilitating strategic minerals planning and collaborative approaches between LPAs. They each represent distinctive 'market areas' between which there is relatively little movement of aggregates, except for exports to England, and within which detailed, strategic consideration can be given as to the most appropriate patterns of supply.
- 5.13 The sub-regions, as listed below, are illustrated in Figure 5.2, which also shows (in black), the main urban areas and (in shades of grey) the neighbouring authorities in England.
- **North West Wales** (comprising Anglesey, Gwynedd, Conwy and the Snowdonia National Park), and
 - **North East Wales** (comprising Denbighshire, Flintshire & Wrexham);
 - **Powys**;
 - **West Wales** (Pembrokeshire, Pembrokeshire Coast National Park and Ceredigion);
 - **Swansea City-Sub-Region** (Swansea, Neath Port Talbot and Carmarthenshire);
 - **Cardiff City Sub-Region** (Cardiff, RCT, Merthyr Tydfil, Caerphilly, Bridgend, the Vale of Glamorgan and the Brecon Beacons National Park); and
 - **'Former Gwent'** (Blaenau Gwent, Torfaen, Newport and Monmouthshire).

Figure 5.2: Sub-Regional Groupings of Local Planning Authorities in Wales, as determined for the purposes of land-won primary aggregate apportionment



5.14 The sub-regional groupings, thus defined, provide the basis for dividing the Regional Apportionment figures (from para 5.10, above), between the various groups of LPAs and, where feasible, between individual LPAs. The methodology for doing this, as

agreed by the RTS Steering Group, was based on a combination of quantitative calculations and qualitative judgements, as described below.

- 5.15 Dealing first with the **quantitative data**, it was agreed that the pattern of apportionments should reflect, not only the pattern of historical sales (as had been used in the First Review) but also, where necessary, the pattern of house construction achieved over the baseline period¹⁷. This would have the added benefit of introducing changes to the supply pattern so that it becomes more aligned with the spatial pattern of observed (and likely future) demand, thereby addressing some of the inequalities that are reflected in the existing (historical) pattern of supply.
- 5.16 Two sets of ‘theoretical’ figures were therefore produced, one relating to historical sales (“Option A”) and one relating to the housing figures (“Option B”). The term ‘theoretical’ is used here to indicate that these are the figures that would result from using only one or the other of the two datasets.
- 5.17 The historical sales data for Option A are derived from Table 3.2, above, using the highest of the 10-year and 3-year averages, for each LPA. In Tables 5.2 and 5.3 below, those figures are then expressed as percentages of the Regional totals and applied to the appropriate Regional figures from Stage 2, above, to obtain the Option A figures shown on the left hand side of the tables.
- 5.18 For Option B, the housing completions data for each LPA, taken from Table 3.3, were initially expressed as percentages of the Regional housing completion totals, in a similar way to the analysis of sales data for Option A. However, applying those percentages to the Regional apportionments from Stage 2 resulted in theoretical LPA figures which were felt to be too far removed from the ‘reality’ of the historical supply pattern. Instead, the process was therefore taken down to the sub-regional level: the housing figures were expressed as percentages of the sub-regional housing totals and applied to the sub-regional apportionment totals obtained from Option A, to give the Option B figures shown in columns 5 to 7 of Tables 5.2 and 5.3. For the purpose of this exercise (only), the two sub-regions in south-east Wales (i.e. Cardiff and Former Gwent) were combined. This was to address the fact that Former Gwent, as a whole, was considered, by the Steering Group, to have been making a relatively limited contribution to the overall supply pattern for many years.
- 5.19 Option A has the advantage of reflecting the existing distribution of supply sources (quarries) and is therefore realistic in terms of ‘deliverability’ but carries the disadvantage of perpetuating the historical supply pattern and the various inequalities contained therein. It represents the preferred option in areas where the historical supply pattern appears to provide a sensible balance between the availability of resources and the location of demand, but requires modification elsewhere.

¹⁷ Whilst future housing requirement figures have been used to influence the overall quantum of future supply, in Stage 1 of the Methodology, for Stage 3 it was considered that the housing completion figures, over the baseline period covered by this review, would provide a more reliable metric for the demonstrable spatial pattern of this element of demand.

Table 5.2: Assessed Sub-Regional and LPA Apportionments, North Wales.

Local Planning Authority	OPTION A			OPTION B			Preferred Annualised Apportionments (mtpa) <small>[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]</small>	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 House Completions over the baseline period (2007 – 2016)	% 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	749.0	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. 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.
Denbighshire	0.329	5.35%	0.414	156.2	20.85%	1.061	0.860	
Flintshire	3.204	52.06%	4.028	288.6	38.53%	1.960	3.582	
Wrexham	0.514	8.35%	0.646	304.2	40.61%	2.066	0.646	
NW Wales Sub-Region	2.108	34.25%	2.650	969	100.00%	2.650	2.650	
Conwy + Snowdonia NP	0.955	15.52%	1.201	178.6	39.26%	1.041	1.201	
Gwynedd	0.898	14.59%	1.129	170.4	36.60%	0.970	1.129	
Isle of Anglesey	0.255	4.14%	0.321	109.6	24.14%	0.640	0.321	

Notes:

1. The annualised apportionments for Option A were obtained by applying the percentages in column 3 (representing each LPA's share of Regional historic sales totals) by the Regional Apportionment total from Stage 2 (as shown at the top of the table).
2. The annualised apportionments for Option B were obtained by applying the percentages in column 6 (representing each LPA's share of sub-regional housing requirement totals) by the corresponding Sub-regional Apportionment totals from column 4.

Table 5.3: Assessed Sub-Regional and LPA Apportionments, South Wales.

Local Planning Authority <i>(see Table 5.2 for footnotes)</i>	OPTION A			OPTION B			Preferred Annualised Apportionments (mtpa) <small>[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]</small>	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 House Completions over the baseline period (2007 – 2016)	% share of Sub-Regional total	Resulting Annualised Apportionments for all Land-Won Primary Aggregates ² (mtpa)		
S. WALES TOTAL (from Stage 2)	12.486							
West Wales Sub-Region	1.140	12.13%	1.514	366.1	100.00%	1.514	1.514	Some adjustment is required to increase the provision from Ceredigion whilst reducing that from the Pembrokeshire Coast National Park but leaving the total unchanged. Ceredigion currently supplies aggregates in proportion to its share of planned housing at a regional level, but not at the sub-regional level. Provision from this LPA should therefore be increased (to an average of Options A and B), with a corresponding reduction from the National Park.
Ceredigion	0.300	3.19%	0.398	126.1	34.44%	0.521	0.460	
Pembrokeshire	0.510	5.42%	0.677	240	65.56%	0.992	0.677	
Pembrokeshire Coast NP	0.330	3.51%	0.438				0.377	
Swansea Sub-Region	1.292	13.74%	1.716	1,311.5	100.00%	1.716	1.716	The Option A figure for Carmarthenshire should be retained, with the remainder of production (mostly HSA - high PSV sandstone) being divided between Swansea and NPT. Option B addresses the current zero apportionment for Swansea, but realistic opportunities for resource development in Swansea relate only to high PSV sandstone which, at present, is supplied primarily from NPT. Limestone is supplied only from Carmarthenshire, which therefore needs to retain its apportionment from Option A in full, with the balance of apportionments (for sandstone) being shared between Swansea and NPT. The figures shown here for those two LPAs assume an equal split between them. If a different balance is preferred, this would need to be agreed by those LPAs as part of their Statement of Sub-Regional Collaboration.
Carmarthenshire	0.832	8.85%	1.105	517.8	39.48%	0.677	1.105	
Swansea	0.000	0.00%	0.000	519.4	39.60%	0.680	0.305	
Neath Port Talbot	0.460	4.89%	0.611	274.3	20.91%	0.359	0.305	
Powys Sub-Region	2.650	28.19%	3.519	191.7	100.00%	3.519	3.519	Option A provides the most reliable reflection of future demand for Powys, being dominated, as it is, by exports of HSA (high PSV) Aggregates to England. That option is therefore preferred without modification
Powys	2.650	28.19%	3.519	191.7	100.00%	3.519	3.519	

Continued ...

Page 113 Table 5.3 continued Local Planning Authority (see Table 5.2 for footnotes)	OPTION A			OPTION B			Preferred Annualised Apportionments (mtpa) <small>[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]</small>	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 House Completions over the baseline period (2007 – 2016)	% share of Sub-Regional total <small>(or of combined SE Wales total, for Cardiff & Former Gwent)</small>	Resulting Annualised Apportionments for all Land-Won Primary Aggregates ² (mtpa)			
Cardiff City Sub-Region	4.070	43.29%	5.405	2,316.9	66.48%	3.814	4.609	ALL of the apportionments within the combined SE Wales area (i.e. the Cardiff sub-region and Former Gwent) need to be adjusted to reflect the fact that Former Gwent, <u>as a whole</u> , has not been supplying its fair share of aggregates for many years (this being largely but not only due to the lack of production in both Torfaen and Newport). Option B addresses this issue by calculating requirements based on % shares of planned housing demand in both sub-regions combined. However, those figures, on their own, do not take account of resource availability. The preferred figures are therefore the average of Options A and B. In the case of BBNP and Merthyr, where that calculation provides only a combined figure (= 0.567mtpa), it is suggested that Merthyr should retain the Option A figure of 0.199mtpa, with the balance of 0.368mtpa being assigned to the National Park.	
Brecon Beacons NP	0.540	5.74%	0.717	133.2	3.82%	0.219	0.368		
Merthyr Tydfil	0.150	1.60%	0.199				0.199		
Bridgend	0.600	6.38%	0.797	365	10.47%	0.601	0.699		
Rhondda Cynon Taf	0.670	7.13%	0.890	373.9	10.73%	0.615	0.753		
Vale of Glamorgan	0.660	7.02%	0.876	284.3	8.16%	0.468	0.672		
Caerphilly	0.390	4.15%	0.518	335.2	9.62%	0.552	0.535		
Cardiff	1.060	11.27%	1.408	825.3	23.68%	1.359	1.383		
Former Gwent Sub-Region	0.250	2.66%	0.332	1,168.2	33.52%	1.923	1.128		The figures shown for the Former Gwent LPAs are simply averages of Options A and B. Torfaen and Newport currently have zero apportionments and the feasibility of being able to make future provision in those areas needs to be examined in greater detail by those Authorities. If the balance of supply needs to depart from these figures (but without reducing the sub-regional total), this would need to be agreed by all four LPAs as part of their Statement of Sub-Regional Collaboration.
Blaenau Gwent	0.180	1.91%	0.239	99.1	2.84%	0.163	0.201		
Monmouthshire	0.070	0.74%	0.093	228.6	6.56%	0.376	0.235		
Newport	0.000	0.00%	0.000	527.5	15.14%	0.868	0.434		
Torfaen	0.000	0.00%	0.000	313	8.98%	0.515	0.258		

- 5.20 Option B, based purely on the distribution of planned housing activity, theoretically provides a way of changing the pattern of supply to one that is more equitable, and in line with the distribution of a very significant element of demand (i.e. house building and associated other construction), but takes no account of the spatial pattern of geological resources or existing quarries. On its own, this would be wholly inappropriate as a future supply strategy as it would not be deliverable within the timescale required, since it requires supplies to be provided from areas with no existing quarries. It does, however, provide a useful indication of the ‘direction of travel’ that may be needed in order to improve the existing pattern of supply from a sustainability perspective.
- 5.21 In practice, where the supply pattern was considered to be in need of adjustment to achieve an improved balance, the two sets of figures were combined (by taking the average of Options A and B, for each LPA). In each of the tables, the **preferred option** (usually either option A or the average of A and B) are shown in the eighth column. In a few cases, however, further adjustments were required on the basis of more nuanced **qualitative judgements**, as described in the right-hand column of the tables.
- 5.22 Decisions regarding which option to select for each LPA, and qualitative judgements regarding other factors which needed to be taken into account, were made by the RTS Steering Group through a process of round-table discussion. Importantly, the analysis and discussions were focused on each of the self-contained sub-regional areas in turn, so as to achieve a preferred balance of supply within each of those areas, whilst not disturbing the broader-scale pattern of supply within each Region as a whole. The only exception to this was in South-East Wales where, as noted earlier, the two sub-regions (Cardiff and Former Gwent) were combined for the quantitative stage of analysis.
- 5.23 The summaries given in the right hand column of Tables 5.2 and 5.3 describe the main reasoning for selecting the preferred distribution of apportionments within each sub-region. Fuller explanations, including details of the consideration given to the distribution of resources, practicalities of mineral extraction, major constraints (National Parks and AONBs), environmental capacity and the proximity principle, are given within the Regional Appendices.

STAGE 4: Sand & Gravel / Crushed Rock Split and Allocations for Future Working

- 5.24 The final stage of the RTS process relates to the separation of each LPA’s apportionment figure by aggregate type (i.e. natural sand & gravel, and crushed rock), and then comparison of the total requirements for each of those, over the relevant Plan periods, with the current stock of permitted reserves, in order to determine whether or not new allocations are required to meet any shortfalls. Tables 5.4 to 5.7 below present the data and calculations involved.

Table 5.4: Calculation of Allocations Required for Land-won Sand & Gravel Aggregates – North Wales

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

NOTES:

1 Taken from Tables 5.2 (North Wales) or Table 5.3 (South Wales)

2 Based on RAWP data over the 10-year baseline period (2007 – 2016)

3 Assumes that the historic proportion is maintained, with the exception of the Pembrokeshire Coast National Park where a slight adjustment has been made to avoid the need for allocations.

4 Data provided by the RAWP secretary for December 2016

5 Permitted reserves exclude those at dormant sites.

6 Landbanks = stock of permitted reserves at active and inactive sites, expressed in terms of the annualised apportionment

7 Allocations required = calculated shortfall, if any.

8. The sand & gravel allocations needed for Ceredigion could potentially be provided, in part, from resources in neighbouring parts of Carmarthenshire, despite being in a different sub-region.

Where allocation requirements are shown these are the minimum amounts required to meet the RTS requirements. In many cases an application for an individual new permission will exceed these amounts, in the interests of economic viability. Such applications should not be rejected purely on the grounds of exceeding the minimum requirements shown here. In some cases, the suggested allocations may already have been partially or entirely fulfilled, either by new permissions granted since December 2016, or by allocations that have already been identified in LDPs. Further details are given in the Regional Appendices.

Table 5.5: Calculation of Allocations Required for Land-won Sand & Gravel Aggregates – South Wales.

Local Planning Authority <small>*see Table 5.4 for footnotes</small>	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)
Ceredigion	0.460	36.67%	0.188	4.136	0.510	2.7	-3.626	3.626	0
Pembrokeshire	0.677	0.00%	0.000	0.000	0.000	n/a	0.000	0.000	0
Pembrokeshire Coast NP	0.377	36.36%	0.118	2.600	2.600	22	0.000	0.000	0
Carmarthenshire	1.105	0.24%	0.003	0.058	0.100	37.7	0.042	See note 8 below Table 5.4	0.35
Swansea	0.305	0.00%	0.000	0.000	0.000	n/a	0.000	0.000	0
Neath Port Talbot	0.305	0.00%	0.000	0.000	0.000	n/a	0.000	0.000	0
Powys	3.519	0.00%	0.000	0.000	0.000	n/a	0.000	0.000	0
Brecon Beacons NP	0.368	0.00%	0.000	0.000	0.000	n/a	0.000	0.000	0
Merthyr Tydfil	0.199	0.00%	0.000	0.000	0.000	n/a	0.000	0.000	0
Bridgend	0.699	0.00%	0.000	0.000	0.000	n/a	0.000	0.000	0
Rhondda Cynon Taf	0.753	0.00%	0.000	0.000	0.000	n/a	0.000	0.000	0
Vale of Glamorgan	0.672	0.00%	0.000	0.000	0.000	n/a	0.000	0.000	0
Caerphilly	0.535	0.00%	0.000	0.000	0.000	n/a	0.000	0.000	0
Cardiff	1.383	0.00%	0.000	0.000	0.000	n/a	0.000	0.000	0
Blaenau Gwent	0.201	0.00%	0.000	0.000	0.000	n/a	0.000	0.000	0
Monmouthshire	0.235	0.00%	0.000	0.000	0.000	n/a	0.000	0.000	0
Newport	0.434	0.00%	0.000	0.000	0.000	n/a	0.000	0.000	0
Torfaen	0.258	0.00%	0.000	0.000	0.000	n/a	0.000	0.000	0
Sub-totals, South Wales	12.485	2.96%	0.309	6.784	3.21			3.626	0.35
TOTALS Wales	20.224	6.95%	1.353	29.758	18.406			11.394	0.85

Table 5.6: Calculation of Allocations Required for Crushed Rock Aggregates – North Wales.

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

NOTES:

1 Taken from Tables 5.2 (North Wales) or Table 5.3 (South Wales)

2 Based on RAWP data over the 10-year baseline period (2007 – 2016)

3 Assumes that the historic proportion is maintained, with the exception of the Pembrokeshire Coast National Park where a slight adjustment has been made to avoid the need for allocations.

4 Data provided by the RAWP secretary for December 2016

5 Permitted reserves exclude those at dormant sites.

6 Landbanks = stock of permitted reserves at active and inactive sites, expressed in terms of the annualised apportionment

7 Allocations required = calculated shortfall, if any.

Where allocation requirements are shown these are the minimum amounts required to meet the RTS requirements. In many cases an application for an individual new permission will exceed these amounts, in the interests of economic viability. Such applications should not be rejected purely on the grounds of exceeding the minimum requirements shown here. In some cases, the suggested allocations may already have been partially or entirely fulfilled, either by new permissions granted since 2016, or by allocations that have already been identified in LDPs. Further details are given in the Regional Appendices.

Table 5.7: Calculation of Allocations Required for Crushed Rock Aggregates – South Wales.

Local Planning Authority <small>*see Table 5.6 for footnotes</small>	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)
Ceredigion	0.460	63.33%	0.272	6.798	5.370	19.7	-1.428	1.428	0
Pembrokeshire	0.677	100.00%	0.677	16.932	16.720	24.7	-0.212	0.212	0
Pembrokeshire Coast NP	0.377	63.64%	0.259	6.475	10.370	40.0	3.895	0.000	0
Carmarthenshire	1.105	99.76%	1.102	27.556	59.900	54.3	32.344	0.000	13.82
Swansea	0.305	n/a	0.305	7.636	0.000	0.0	-7.636	7.636	0
Neath Port Talbot	0.305	100.00%	0.305	7.636	16.480	54.0	8.844	0.000	0
Powys	3.519	100.00%	3.519	87.981	139.240	39.6	51.259	0.000	0
Brecon Beacons NP	0.368	100.00%	0.368	9.200	120.100	211.8	105.925	0.000	0.36
Merthyr Tydfil	0.199	100.00%	0.199	4.975					
Bridgend	0.699	100.00%	0.699	17.471	27.270	39.0	9.799	0.000	0.15
Rhondda Cynon Taf	0.753	100.00%	0.753	18.816	9.830	13.1	-8.986	8.986	0
Vale of Glamorgan	0.672	100.00%	0.672	16.806	18.730	27.9	1.924	0.000	13
Caerphilly	0.535	100.00%	0.535	13.371	31.280	58.5	17.909	0.000	5.21
Cardiff	1.383	100.00%	1.383	34.578	27.800	20.1	-6.778	6.778	0
Blaenau Gwent	0.201	100.00%	0.201	5.027	1.320	6.6	-3.707	3.707	0
Monmouthshire	0.235	100.00%	0.235	5.866	11.250	47.9	5.384	0.000	0
Newport	0.434	n/a	0.434	10.854	0.000	0.0	-10.854	10.854	0
Torfaen	0.258	n/a	0.258	6.441	0.000	0.0	-6.441	6.441	0
Sub-totals, South Wales	12.485	97.04%	12.176	304.420	495.66			46.043	32.54
TOTALS Wales	20.224	93.05%	18.872	471.786	670.850			81.971	34.20

- 5.25 The requirements, as set out in paragraph 49 of MTAN1, are that a minimum 10-year landbank of crushed rock and a minimum 7-year landbank for sand and gravel should be maintained throughout the entire plan period of each LDP. In effect, this means having a minimum landbank for sand & gravel of 22 years, at the start of a 15-year Plan period, and a minimum crushed rock landbank of 25 years. In each case, the landbank is required, by MTAN 1 to be based on an average of the most recent 3 years' production figures. That was modified, in the RTS First Review, to be based on an average of 10-years production figures, since that was adopted as the main guide for future levels of demand. For the present review, a further modification is needed, such that the landbank is expressed in terms of the annualised apportionment figure recommended for each LPA. In all cases, these are higher than the 10-year or 3-year historical sales averages, and the landbanks are therefore correspondingly reduced, increasing the likelihood for new allocations being required. It must be emphasised, however, that at the start of any given Plan period, the overall provision (total apportionment) can be represented by a combination of existing landbanks of permitted reserves and (where necessary) new allocations (subject to the minimum landbank figures being available).

Sand & Gravel / Crushed Rock Aggregates Split

- 5.26 In order to carry out the required calculations, it was necessary first to distinguish between natural sand & gravel and crushed rock requirements. To do this, it has been assumed that the new apportionments will be divided between the two aggregate types in the same ratio as shown by the historical sales data, over the 10-year baseline period. One exception to this has been The Pembrokeshire Coast National Park where the apportionment has been reduced slightly, so as not to exceed the remaining landbank of permitted reserves. This has been to avoid the necessity of requiring new allocations to be identified within the National Park¹⁸ and has been achieved by a corresponding slight increase in the apportionment for Ceredigion, and with corresponding changes to the crushed rock apportionments in order to maintain the overall apportionments for each area.
- 5.27 Theoretically, there may sometimes be opportunities to achieve the overall requirements with a different balance of aggregate types – for example where there is a surplus of permitted crushed rock reserves but a shortage of sand & gravel. In practice, however, this combination of circumstances occurs in only one LPA – Gwynedd. Even in that area, the substitution may not be appropriate, depending on the particular end-uses involved. The reverse situation, where there are surpluses of permitted sand & gravel reserves, is found only in Carmarthenshire. In that case, however, there is a much larger surplus of crushed rock, so no necessity for substitution to occur.

Surpluses, Shortfalls and Allocations

- 5.28 For **land-won sand & gravel**, Tables 5.4 and 5.5 reveal that new allocations to meet RTS requirements over the next 22 years will be required within Flintshire, Wrexham, Gwynedd and Ceredigion. Current landbanks, expressed in terms of the

¹⁸ MTAN 1 (para 52) seeks to avoid new allocations within National Parks, save in exceptional circumstances.

new annualised apportionments, are already less than the minimum level of 7 years in three of these areas, demonstrating the urgency for granting new permissions, as well as longer-term allocations for future working. In the fourth area (Wrexham), the landbank is currently adequate, at just under 20 years, but a further allocation is needed to meet the RTS requirement over the full plan period.

- 5.29 Only one LPA in the whole of Wales (Carmarthenshire) currently has a surplus of existing permitted reserves of sand & gravel. The remaining LPAs have neither a surplus nor deficit for sand & gravel provision but, in most cases, this is simply because they currently have no production and no apportionment. An exception to this is the Pembrokeshire Coast National Park which (as a consequence of ensuring that it's apportionment will not exceed the current landbank) has just sufficient reserves to cover the 22-year period required. In future years, the requirement which has hitherto fallen on the National Park will need to be supplied by other adjoining areas. In South East Wales, the zero requirements for land-won sand & gravel production are critically dependent upon the continued availability of marine-dredged aggregates. If that source of supply were to be disrupted, there would be an urgent need to reconsider the apportionments to all of the authorities in that area.
- 5.30 For **crushed rock**, Tables 5.6 and 5.7 reveal that many parts of Wales already have substantial permitted reserves of crushed rock, with landbanks in excess of the required minimum of 25 years. However, shortfalls of permitted reserves, with corresponding requirements for new allocations and/or new permissions, are identified in nine separate LDP areas.
- 5.31 Three of these (Swansea, Newport and Torfaen) correspond to the areas which previously had zero apportionments, and where new sources of supply now need to be found, either within those areas or, if it cannot be avoided, in neighbouring parts of the same sub-regions (subject to the preparation of Statements of Sub-Regional Collaboration with the other LPAs, in accordance with the guidelines set out in Annex A of this document). In the case of Swansea, the reserves requirement (specifically for HSA (high PSV) sandstone) could *theoretically* be subsumed within the surplus available in adjoining Neath Port Talbot, though that would defeat the objective of seeking a more equitable sub-regional balance. For Newport and Torfaen, part of their combined requirement of almost 17.3 million tonnes could *theoretically* be offset by the surplus of almost 5.4 million tonnes in Monmouthshire¹⁹, although that would still leave a considerable deficit and again would defeat the objective of seeking a more equitable balance. The word 'theoretically' is italicised in these observations because it is not the intention of the RTS to encourage the 'trading' of apportionments between LPAs, other than in *exceptional circumstances*, as set out in the Guidelines at Annex A.
- 5.32 The six other LPAs with shortfalls of permitted crushed rock reserves are Flintshire, Ceredigion, Pembrokeshire, Rhondda Cynon Taf, Cardiff and Blaenau Gwent. In the case of RCT and the Cardiff, the combined shortfall of more than 15.7 mt is dwarfed

¹⁹ The surplus reserves in Monmouthshire are bound up in a single site which has been inactive for many years and are constrained, in part, by the need for dewatering the Carboniferous Limestone aquifer, which would be subject to abstraction licensing requirements.

by the net surplus of almost 120 mt within the Cardiff City sub-region as a whole, though most of that lies within the Brecon Beacons National Park and the RTS seeks to reduce, rather than increase, the dependency on that area for future supply. The shortfall in RCT is matched by the slightly larger surplus in Bridgend, whilst that in Cardiff is more than matched by the surplus in Caerphilly. Once again, however, to rely on those reserves instead of finding new allocations as indicated in Table 5.7 would defeat the objective of seeking a more sustainable long-term pattern of supply in the area and is therefore not encouraged.

- 5.33 The remaining LPA facing a shortfall of permitted crushed rock reserves – Blaenau Gwent – falls within the same ‘Former Gwent’ sub-region as Torfaen, Newport and Monmouthshire which, even combined, have a net shortfall of more than 15.6 mt.

Types and Size of Allocations

- 5.34 A key requirement, in terms of identifying allocations for future working within an LDP, is to be able to demonstrate that adequate provision has been made for supplying *at least* the minimum quantity identified for the authority in the RTS (or in a SSRC where a different figure has been agreed through sub-regional collaboration). This, in turn, means that the quantity of workable mineral within the allocation needs to be known, as far as possible. In most cases, this is only likely to be feasible within Specific Sites. Preferred Areas will generally not have sufficient information to be able to do this, though it may sometimes be possible for reasonable estimates to be made.
- 5.35 In each case, where sufficiently detailed information exists, it is therefore recommended that the allocations should take the form of **Specific Sites**, as defined in Paragraph 5.14.19 of Planning Policy Wales (PPW) i.e. *“where mineral resources of commercial significance exist, and where any planning applications which come forward for those sites are likely to be acceptable in planning terms”*. In terms of size, Specific Sites should aim, not simply to deliver the bare minimum identified as an allocation requirement in the RTS (or SSRC) but may need to be larger: they will need to be of sufficient size to be commercially viable.
- 5.36 Where Specific Sites cannot be defined, allocations should normally at least take the form of **Preferred Areas** (*“areas of known resources with some commercial potential, and where planning permission might reasonably be anticipated”*), within which operators should be encouraged to bring forward more specific proposals. Inevitably, for a given minimum size of allocation, such areas will need to be significantly larger than individual sites, in recognition of the fact that only part of the area may eventually be brought forward.
- 5.37 **Areas of Search** (*“...broad areas that are believed to contain mineral resources of commercial significance but whose extent is uncertain...”*) will usually have only minimal information on the suitability and commercial viability of the resources for commercial development and, as noted in PPW, it will not usually be appropriate to only rely on these for the purposes of making allocations. There will be some situations, however, where there is insufficient knowledge about potential resources to identify anything other than Areas of Search. Where this is the case, it

is recommended that the Area(s) so identified should provide the potential for the release of new permitted reserves which are far greater than the minimum allocation recommended, in order to allow for the uncertainties involved.

- 5.38 In some cases, it may be better, in terms of deliverability, to rely on specific sites (whether existing permissions or new allocations) in neighbouring authorities (additional to those LPAs' own requirements), where such reliance has been agreed through collaborative working and formalised within an agreed SSRC (see para. 1.27, above), in preference to relying upon the uncertainty associated with broad Areas of Search.

Treatment of Dormant Sites

- 5.39 As noted in Chapter 2 (para. 2.4), where an LPA considers that the permitted reserves at dormant sites are likely to be capable of being worked in the relevant period (subject to Environmental Impact Assessment and the agreement of modern conditions) it may be possible for those reserves to be offset against the requirement for new allocations. This would only work, however, if the sites in question meet the same expectations as for other allocations, i.e. that they comply with the definition of Specific Sites or at least Preferred Areas, as given in PPW.

Compliance with and Departures from RTS Recommendations

- 5.40 The outcome of this strategic exercise has been a deliberate attempt to control, and in some cases to modify, the future pattern of supply of land-won primary aggregates in Wales, in line with sustainability principles. In a small number of areas, notably where there has been no production of land-won aggregates for many years, with no permitted reserves and zero apportionments, the Steering Group accepted that there may be insufficient evidence, at present, to determine the precise levels of apportionment and resulting allocations required for individual LPAs. In such cases, more detailed analysis will be required, at the local level, through collaboration between adjoining LPAs and consultation with industry, in order to confirm realistic figures for those particular LPAs and (*in exceptional circumstances*) to consider the possibility of alternative patterns of supply within the sub-region concerned.
- 5.41 To this end (and more generally, to ensure that the regional and sub-regional totals recommended by the RTS are achieved), this Review has introduced a requirement for all LPAs within each sub-region to produce Statements of Sub-Regional Collaboration (SSRCs), in consultation with industry, through the RAWPs, prior to the Examination of any individual LDP within that area. Specific guidelines relating to the preparation of SSRCs, including details of the exceptional circumstances tests, are provided at Annex A of this document.
- 5.42 Finally, it should be noted that the recommendations made in this Chapter are based on currently available information regarding permitted reserves, production, proximity and environmental capacity. As noted in 'Box 1' of the original RTS documents, and repeated in the First Review, the suggested apportionments and allocations do not take fully into account all factors that may be material to the

ensuring an adequate supply of aggregates obtained from appropriately located sources. Such factors may, *inter alia*, include such things as:

- The technical capability of one type of aggregate to interchange for another;
- The relative environmental cost of substitution of one type of aggregate by another;
- The relative environmental effects of changing patterns of supply; and
- Whether adequate production capacity can be maintained to meet the required level of supply.

5.43 For such reasons, and as already noted in Chapter 1 (para. 1.29), where it is justified by new (e.g. more up to date, more detailed or more precise) evidence, it is open for individual LPAs to depart from the apportionment and allocation figures recommended by the RTS when preparing their LDP policies. In doing so, however, 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 within the same sub-region to ensure that sub-regional and regional totals are still achieved) and this would need to be reflected in the SSRC agreed with neighbouring LPAs for that area, prior to Examination.

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

6. Consultation Process

- 6.1 This First Review of the RTS documents for North Wales and South Wales has been undertaken as a collaborative exercise with several stages of consultation and technical peer review.
- 6.2 At the outset of the project, initial consultation meetings were held with a range of stakeholders to ensure that the Review was properly focused and that key sources of information were made available for consideration. The organisations and/or representative individuals consulted were as follows:
- Hugh Towns, Secretary of the South Wales Regional Aggregates Working Party
 - Gary Nancarrow, Secretary of the North Wales Regional Aggregates Working Party
 - Nick Horsley and others, representing the Mineral Products Association (MPA)
 - Trefor Evans representing the British Aggregates Association (BAA)
 - Ian Gorton and others, representing Natural Resources Wales (NRW)
- 6.3 The findings of this early stage of consultation are detailed in the Interim Report, issued on 18th January 2019 (pdf copies available on request from the author).
- 6.4 Initial drafts of the revised RTS were then produced in stages between May and August 2019. At each stage, consultation was held with a Project Steering Group made up of the RTS sub-committees of the two Regional Aggregate Working Parties (including mineral operators, mineral planning authorities and Natural Resources Wales). This consultation entailed issuing drafts for comment, Steering Group meetings chaired by Joanne Smith of the Welsh Government, and the preparation of revised drafts incorporating responses to all Steering Group comments received, including the receipt of new technical data. Each successive draft superseded previous versions.
- 6.5 The second draft was issued to the entire membership of both RAWPs and comments on that version were received at a joint North Wales and South Wales RAWP meeting in July 2019.
- 6.6 Following discussion at that meeting, and written comments received from members, a third draft was produced. English and Welsh versions were then issued for wider (public) consultation and drawn to the attention of all Local Planning Authorities in Wales, by the Welsh Government's Chief Planner. Those versions were made available via the Websites of both RAWPs for an eight-week consultation period, between 30th September and 25th November, 2019. Within that period, two consultation events were held, on 11th November at Bridgend in South Wales and on 15th November at Llandudno Junction in North Wales. At each event, the RTS review process was clearly explained and the findings, including recommendations to individual LPAs, were presented for discussion and comment. This was the main opportunity for interested parties to scrutinise the documents and to be satisfied that they were acceptable and fit for purpose, taking account of local and sub-regional perspectives.

- 6.7 Following consultation, additional meetings were held with a number of LPAs in South Wales, and with representatives of the Mineral Products Association, to discuss particular concerns relating to sub-regional collaboration and to finalise guidance on this (which had been called for during consultation). A consultation report, which included the Steering Group's recommended responses to the various issues raised by consultees, was produced in June 2020.
- 6.8 A further revision of the RTS (this document and the two Regional Appendices) was then carried out to reflect the recommendations of the consultation report and to incorporate the finalised version of the guidance, (Annex A).
- 6.9 The final edition will be translated into Welsh and issued for endorsement by individual LPAs, after which it will be endorsed for publication by the Welsh Government.
- 6.10 As with previous editions of the RTS, in the interests of sustainability, it is not intended that printed copies will be issued.

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Annex A: Guidance Note on Sub-Regional Collaboration

This Second Review of the Regional Technical Statements for Aggregates Provision in Wales (RTS) introduces a new requirement for all LPAs to agree **Statements of Sub-Regional Collaboration** (SSRCs) in respect of their contributions to the future provision of land-won primary aggregates. In response to suggestions received during the public consultation of the 2nd Review, the following Guidance has been prepared on behalf of the Welsh Government and the two Regional Aggregate Working Parties, in consultation with the project Steering Group.

SSRCs are required to be prepared, collaboratively, by all constituent LPAs within each RTS sub-region (as defined by the RTS 2nd Review) as part of the evidence base needed to support each Local Development Plan (LDP) or Strategic Development Plan (SDP). The timescale for preparing SSRCs will therefore need to be geared towards the timescale for the earliest LDP (or SDP) submission within that sub-region. Once agreed, an SSRC will remain in place until it becomes superseded by the requirements of future reviews of the RTS, or new information comes forward which justifies a change.

By default, each SSRC will simply confirm that all constituent LPAs within a particular RTS sub-region accept the individual apportionments for aggregates for their individual Authority areas, as set out in the latest Review of the RTS, and that (*as a minimum*) the RTS requirements for that sub-region as a whole will therefore be met.

In exceptional circumstances, an SSRC may identify an alternative pattern of supply which achieves the RTS requirements for that particular sub-region in a different way. Such circumstances may arise either where one or more LPAs within the sub-region are unable to meet the minimum requirements of their apportionments identified in the RTS or where an alternative, achievable and more sustainable pattern of supply is identified through collaboration between the LPAs involved.

The following considerations will apply, in such circumstances:

1. **Inability to meet RTS apportionments:** In order to demonstrate an inability to meet RTS apportionments, an LPA would need to show either that it has no (or insufficient) workable aggregate resources of the type required by the RTS and/or that there is no interest from the minerals industry in developing such resources within the area. It will *not* be sufficient simply to demonstrate that the area has no existing quarries or no recent production, or that alternative resources and/or permitted reserves exist within another LPA.
2. **An alternative pattern of supply:** Where an alternative pattern of supply is proposed this will entail transferring some or all of the RTS apportionment from one LPA to one or more other LPAs within the same sub-region, so as to make corresponding increases in provision within those authorities, as required by MTAN 1. The receiving authorities

will need to increase their apportionments²⁰ (and, where necessary, allocations²¹), to ensure that *as a minimum*, the overall requirements for ongoing supply within that sub-region, as set out in the RTS, are met (both numerically and in terms of aggregate type²²). It will not normally be appropriate to merely transfer apportionments to an LPA with sufficient existing reserves to arithmetically absorb the apportionment, without reference to the additional consideration of productive capacity²³.

Where any adjustments are made, the details and justifications will need to be set out clearly in the SSRC and will be subject to Examination as part of the LDP or SDP process.

The LPAs involved should demonstrate, as far as possible, that the SSRC has been produced in consultation with relevant stakeholders, including the Regional Aggregate Working Party (RAWP), as part of the LDP process. The RAWP would not have any powers of approval over SSRCs but would simply provide a forum for discussion of proposed arrangements and, where necessary, could raise objections.

Where there is clear evidence that the sub-region as a whole cannot meet its collective apportionment, SSRCs may be extended to include one or more other LPAs in directly adjoining parts of a neighbouring sub-region. This may be appropriate, for example, for LPAs which become part of a single SDP sub-region, even though they are in different RTS sub-regions. However, the considerations, as outlined above, would still apply.

²⁰ This will not apply to National Park Authorities, where the apportionments stated within the RTS shall not be increased.

²¹ Where an apportionment (or part thereof) is transferred from one LPA to another, the receiving authority will need to calculate its resulting total apportionment, over 25 years (for crushed rock) or 22 years (for sand & gravel) and compare those figures with existing landbanks. Where this results in a shortfall of permitted reserves, corresponding allocations for future working will need to be identified within that authority's area to make up the deficit.

²² Where alternative sources of supply are to be considered, the alternative must either be of the same type or, at least, one that is fully capable of meeting the same end-use specifications. For this reason, and to avoid the inappropriate use of specialist aggregate types, it should be noted that High Specification Aggregates such as those with a high Polished Stone Value (PSV) are not interchangeable with other aggregate types.

²³ Whether or not adequate productive capacity is maintained within a given area will, in part, be the responsibility of industry. All that is expected of LPAs in such cases is that they facilitate such capacity through planning permissions and realistic allocations for future working in accordance with Planning Policy Wales and MTAN 1.

Glossary

The following terms are frequently used in relation to aggregate supply and apportionment. The terms are listed in topic groupings rather than alphabetically.

Term	Definition, in relation to the supply of aggregates
TOPIC: Aggregate Materials	
Aggregate	Crushed rock, natural sand and gravel or artificial granular material that is used in construction, often in conjunction with a suitable binding agent such as bitumen or cement.
Primary Aggregates	Aggregates sourced directly from naturally occurring geological materials as a primary product (as distinct from secondary aggregates, including excavation wastes, produced as a by-product from the extraction or processing of geological materials for other primary purposes).
Secondary Aggregates	These are usually by-products of other industrial processes, or the arisings from non-aggregates extractive operations, that have been processed to meet the specification requirements for construction aggregate materials. They can be sub-divided into manufactured and natural materials, depending on their source. Examples of manufactured secondary aggregates are pulverised fuel ash (PFA) and metallurgical (iron and steel) slags. Natural secondary aggregates include china clay sand, ball clay sand, aggregate produced from slate waste or colliery spoil and excavation wastes (as defined below). All of these are exempt from the aggregates levy, giving them a deliberate cost advantage over primary materials, in an attempt to encourage their greater use.
Construction, Demolition and Excavation Wastes (CD&EW)	A term referring to wastes (see below) arising from the construction or demolition of buildings and/or civil engineering infrastructure, or from excavations associated with land levelling, foundations or other civil engineering works. Aggregates may be derived from some of these various waste streams, either as recycled materials or from excavation wastes (both of which are defined separately below).
Waste	Any substance or object which the holder discards or intends, or is required, to discard. In CD&EW surveys, materials arising from construction or demolition works, or from associated excavations, which are beneficially used <i>in an unprocessed form</i> on the site on which they arise are generally not regarded as waste, because they are not generally regulated as waste.
Road planings	A particular example of CD&EW materials, comprising aggregate and bituminous or cement binder materials that have been 'planed' from the surface of a worn out road prior to resurfacing with new or recycled materials.
Recycled Materials suitable for use as Aggregate	These are materials, usually arising from construction or demolition projects, which have previously been used for construction purposes, and which are capable of being recycled or re-used as construction aggregates for a second or further time. In the Finance Act 2001, all materials previously used in construction are exempt from the aggregates levy, giving them a deliberate cost advantage over primary aggregates in an attempt to encourage their greater utilisation.
Excavation Waste suitable for use as Aggregate	These are materials that may be suitable, with or without processing, for use as secondary aggregates, arising from excavation works: <ul style="list-style-type: none"> a) on the site of any building or proposed building, where the excavation is undertaken exclusively for the purposes of laying foundations, pipes or cables; b) on the site of any river, canal, watercourse or navigational channel, where the excavation is undertaken exclusively for the purpose of creating, restoring, improving or maintaining that feature; c) along the line or proposed line of any highway or proposed highway, where the excavation is undertaken for the purpose of constructing, improving or maintaining the highway and not wholly or mainly for the purpose of extracting aggregate. Each of these categories, as defined more precisely in the Finance Act 2001, is exempt from the aggregates levy, giving these materials a deliberate cost advantage over primary materials in an attempt to encourage their greater utilisation.
Mineral Wastes	Mineral wastes are identified in MTAN1 as a further category of material with potential for use as aggregate. The term is specifically used to encompass aggregates from slate waste, colliery spoil, and crushed rock fines (i.e. the "dust" generated from crushing and screening operations in hard rock primary aggregate quarries). It may also include aggregates produced from the excavation and processing wastes at building stone (dimensional stone) quarries. Aggregates produced from slate waste and colliery spoil are classed as secondary materials (see above) and are exempt from the aggregates levy. The same is not true of crushed rock fines, or of the residue from building stone production, both of which remain classed as primary aggregates and are not exempt.

TOPIC: Supply and Demand	
Production	The overall rate at which products are generated, in tonnes (or millions of tonnes) per year, <i>whether or not they are sold</i> . In quarrying, production includes any unsaleable materials that may be produced, including overburden, interburden and processing waste, which may or may not be useable.
Sales	The rate at which products are sold, in tonnes (or millions of tonnes) per year. In quarrying, for the reasons outlined above, this will usually be less than the rate of production.
Consumption	The rate at which products are used, within a specified market area, measured in tonnes (or millions of tonnes) per year.
Demand	The need or desire for a product, backed by an ability to pay. Demand is measured over a given time period, and is affected by budgets, prices, preferences and the availability and price of alternative products. Demand for aggregates may be expressed in terms of the rate at which it is expected to be used within a particular market area (which is rarely known), or the rate at which it is expected to be supplied from a given source area, and is measured in tonnes (or millions of tonnes) per year.
Supply	The amount of a product which is supplied. Supply of aggregates is normally expressed in relation to a particular source area and is measured in tonnes (or millions of tonnes) per year.
Distribution	The pattern of market destinations served by the sales from a particular quarry or group of quarries.
Proximity Principle	The general concept of minimising the transportation of aggregates (and other bulk materials) by road, in accordance with para. 26 of MTAN1, in order to reduce associated impacts on the environment.

TOPIC: Resources, Reserves and Landbanks	
Resources (of primary aggregate)	Geological materials, including rocks and naturally occurring sand & gravel, which have the potential to be used as aggregates. The presence of a resource does not imply an acceptance of mineral working.
Permitted Reserves (of primary aggregate)	Primary aggregate resources which have the benefit of planning permission for the winning and working of minerals.
Landbank (of primary aggregate reserves)	In general, a landbank is a stock of planning permissions for the winning and working of minerals within a specified area, expressed both in millions of tonnes and in terms of the number of years' supply which they represent. The latter is usually calculated on the basis of recent rates of production.
Current Landbank (of permitted primary aggregate reserves)	In MTAN1 (paragraph 45), this is defined as <i>"the sum of all permitted reserves at active and inactive sites at a given time and for a given area"</i> , and is required to be based on <i>"the latest 3 years production figures"</i> (production, in this case, usually being represented by sales). For the purposes of the RTS, and in the interests of adopting a more practical approach to the strategic planning of aggregates provision in Wales, two deliberate departures from this definition were agreed by the Steering Group at the time of the First Review. Firstly, although 'inactive sites' technically include those which are dormant or suspended, the current landbank has been taken to exclude those sites (but see also 'Dormant Reserves' below). Secondly, in recognition of the prolonged economic recession, the agreed method of calculating the landbank has been to use the average of the latest 10 (rather than 3) years' sales figures.
Dormant Reserves	The permitted reserves of primary aggregates at Dormant sites (see below). MTAN1 (paragraph 47) requires these to be <i>"clearly shown in the landbank calculations as a separate category"</i> . For the purposes of this review, such reserves and those at sites where permission has been suspended (see below) have therefore been excluded from the main landbank calculations used to determine future allocation requirements, though in some cases they might be able taken into account by local authorities to offset any requirement for new allocations, subject to more detailed local knowledge.
Future Landbank (of primary aggregate reserves)*	In MTAN1 (paragraph 45), the Future (or 'Extended') Landbank is defined as <i>"land specifically allocated for the working of aggregates"</i> (but see footnote below*)
Apportionment	The rate for which the mineral planning system requires provision to be made, in Development Plans, for the supply of aggregates from a given area or region. This may be expressed either in terms of millions of tonnes over a specified period, and/or as an averaged 'annualised apportionment' in millions of tonnes per year.
Allocation	The identification, within a Local Development Plan, of an area of land for future mineral working. In Wales, the size (in terms of tonnage) of allocations required in specific LDPs are defined in the Regional Technical Statements, but only for areas in which the cumulative apportionments over the period covered by the RTS are in excess of the available landbank of permitted reserves, at the time of the baseline date used in the assessment (in this case 31/12/16).
Provision	The total amount of aggregate required to be supplied from a particular local authority over a period of time, such as the duration of its Local Development Plan. The overall provision may comprise both a landbank of permitted reserves and allocations for future working.
* The term 'Future Landbank' is somewhat confusing, since a landbank is a stock of planning permissions and (by definition), allocations do not have this status. Allocations may thus form part of the overall 'provision' within a Local Development Plan, but cannot form part of the landbank.	

TOPIC: Quarry Status	
Active Site	Active sites in Wales are explicitly defined by the Town and Country Planning (Fees for Applications and Deemed Applications) (Amendment No.2) (Wales) Regulations 2006 as sites where " a) <i>development to which the relevant mineral permission or landfill permission relates is being carried out to any substantial extent; or b</i>) other works to which a condition attached to such permission are being carried out to any substantial extent". "Substantial extent" is not defined, but relevant guidance is provided in Minerals Planning Guidance Note 14 (MPG14): Environment Act 1995:- Review of Mineral Planning Permissions.
Inactive Site	Defined by the Town and Country Planning (Fees for Applications and Deemed Applications) (Amendment No.2) (Wales) Regulations 2006 as one " <i>which is not an active site</i> ", as defined above. Inactive sites thus include, but are not limited to, those which are classified under the Environment Act 1995 as being dormant and those where planning permission has been suspended (see below).
Dormant Site	As defined in the Environment Act 1995, this refers specifically to quarries with mineral permissions granted between 30 th June 1948 and 22 nd February 1982 (i.e. "Phase I" and "Phase II" sites, as defined in the Act) where no minerals development was carried out to any substantial extent in, on, or under the site at any time in the period beginning on 22 February 1982 and ending with 6 June 1995. These sites still have valid planning permissions but, since 1 st November 1995 it has not been lawful to recommence or carry on working a dormant site until full modern planning conditions have been approved by the Local Planning Authority (LPA), through the process of an initial ROMP review (see below). In some areas there are additional, 'dormant IDO' sites, as defined within the Planning and Compensation Act, 1991. These are sites which were originally granted consent under 'Interim Development Orders' (IDOs), in the period between 22 July 1943 and 1 July 1948, and which were subsequently registered under the 1991 Act (thus retaining valid planning permission), but where no substantial work was carried out between 1 May 1989 and 30 th April 1991. For these sites, a scheme of operation and restoration conditions is required to be submitted to the relevant LPA together with an acceptable Environmental Assessment, before they can lawfully be reactivated.
ROMP	The acronym for 'Review of Old Mineral Permissions' carried out in accordance with the Environment Act 1995. Sites which obtained planning permission between 1948 and 1982, whether active, inactive or dormant, were required by this Act to be subject to an Initial Review in order that modern planning conditions can be agreed. In addition, all sites (including reactivated ISO permissions) are required to be subject to subsequent Periodic Reviews at intervals of not less than 15 years. ROMP applications cannot be refused, since valid planning permissions already exist. However, court judgments, guidance and regulations have since clarified that both the ROMP process, and the approval of new conditions at IDO sites, amount to obtaining new development consents and are therefore subject to Environmental Impact Assessment.
Stalled ROMP / Suspended Permission	Where a ROMP review has begun but has not been completed (e.g. because an Environmental Statement has not been submitted), the ROMP process is said to have 'stalled'. In accordance with the Town and Country Planning (Environmental Impact Assessment) (Undetermined Reviews of Old Mineral Permissions) (Wales) Regulations 2009, planning permission then becomes 'suspended' - i.e. it ceases to authorise any minerals development. As with dormant sites, suspended permissions cannot lawfully be operated until the process (including Environmental Impact Assessment) has been completed and modern conditions agreed.

Abbreviations

The following abbreviations are commonly used throughout the RTS.

AAV	Aggregate Abrasion Value
AM survey	Aggregate Minerals survey
AONB	Area of Outstanding Natural Beauty
BAA	British Aggregates Association
BGS	British Geological Survey
BMAPA	British Marine Aggregate Producers Association
CD&EW	Construction, Demolition and Excavation Waste
CPRW	Council for the Protection of Rural Wales
EA	Environmental Assessment
EC	European Commission
EIA	Environmental Impact Assessment
EMAADS	<i>Establishing a Methodology for Assessing Aggregates Demand and Supply</i> (project title)
ES	Environmental Statement
EU	European Union
FBA	Furnace Bottom Ash
GDP	Gross Domestic Product
GIS	Geographic Information System
HMRC	Her Majesty's Revenue & Customs
HSA	High Specification Aggregate
IDO	Interim Development Order
IMADP	Interim Marine Aggregates Dredging Policy
IMAECA	<i>Implementing the Methodology for Assessing the Environmental Capacity for primary Aggregates</i> (project title)
ISO	International Organisation for Standardisation
LDP	Local Development Plan
LPA	Local Planning Authority
MASS	Managed Aggregate Supply System
MHCLG	Ministry of Housing, Communities and Local Government
MPA	Mineral Products Association
MPPW	Minerals Planning Policy Wales
mt	Million tonnes
mtpa	Million tonnes per annum
MTAN	Minerals Technical Advice Note
NPA	National Park Authority
NRW	Natural Resources Wales
OBR	Office of Budget Responsibility
PFA	Pulverised Fuel Ash
POS	Planning Officers Society
PPW	Planning Policy Wales
PSV	Polished Stone Value
RAWP	Regional Aggregate Working Party
ROMP	Review of Old Mineral Permissions
RTS	Regional Technical Statement
SAC	Special Area of Conservation
SEA	Strategic Environmental Assessment
SSSI	Site of Special Scientific Interest
WG	Welsh Government

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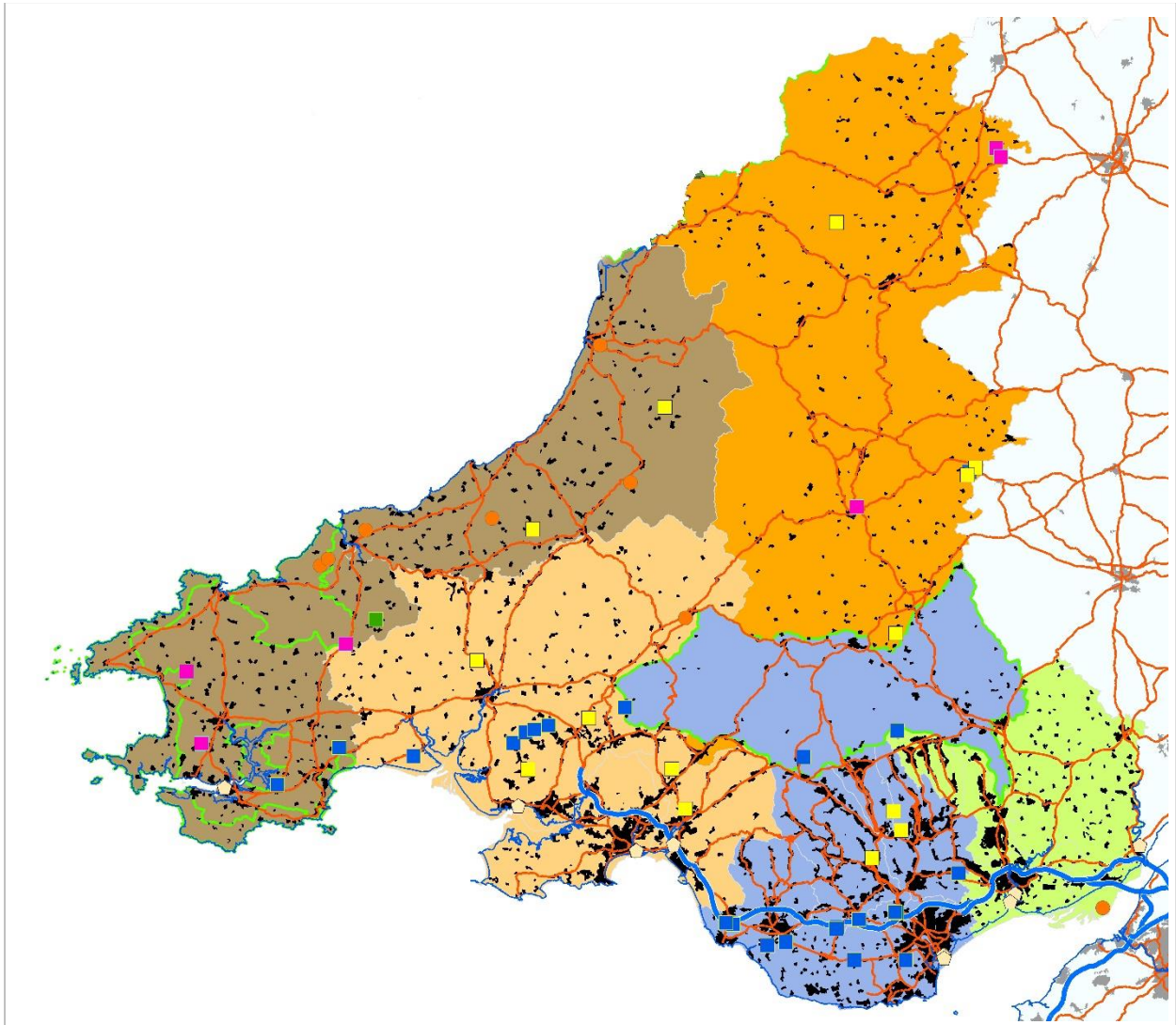
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* It is noted with deep sadness that Trefor passed away in April 2020

Regional Technical Statement (2nd Review)

Appendix B (South Wales)



Final – September 2020



Llywodraeth Cymru
Welsh Government

South Wales
Regional
Aggregates
Working Party

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Appendix B: South Wales Region - Detailed Analysis & Recommendations

Introduction

- B1. This appendix is intended to complement, and should be read in conjunction with, the main document of the Second Review of the RTS. It provides additional explanation, specific to the South Wales Regional Aggregate Working Party (RAWP) Region, relating to the consideration of existing supply patterns, the detailed breakdown of sub-regional apportionments and requirements for new allocations. The final part of the Appendix, from paragraph B78 onwards, incorporates that information into specific recommendations and guidance for each individual Local Planning Authority (LPA).

Existing Supply Patterns in South Wales – Regional Overview

- B2. As explained in Chapter 3 of the main document, historical sales figures have been used in this review as a starting point for calculating the overall National requirement for land-won primary aggregate production in Wales, over the period covered by the revised RTS (i.e. 2020-2045). After applying a 30% uplift to reflect the planned increase in housing construction, this enhanced total has then been apportioned between North Wales and South Wales on the basis of their recent historical share of sales. The sub-regional apportionment of those regional figures has then been determined by looking carefully at the patterns of supply within each of seven sub-regions, created specifically for this purpose. That examination is briefly outlined in the main report and described more fully here.
- B3. Figure B1 shows the five sub-regions within the South Wales RAWP area. The sub-regions were created, at Welsh Government's suggestion, for the specific purpose of facilitating strategic minerals planning and collaborative approaches between LPAs. They each represent distinctive 'market areas' between which there is relatively little movement of aggregates, except for exports to England, and within which detailed, strategic consideration can be given as to the most appropriate patterns of supply. Looking carefully at the balance of supply between the LPAs within each sub-region is an important aspect of this.
- B4. For some LPAs, where the existing supply pattern already seems to provide a sensible balance between the spatial distributions of demand, resource availability and other factors, the new apportionments simply reflect the pattern of historical sales (i.e. the regional figures have been divided between the LPAs in proportion to their share of historical sales). In other areas, the new apportionments have been adjusted – primarily to take account of the distribution of planned housing activity, as indicated by the housing requirement figures in adopted LDPs - so that they reflect an improved (more equitable, more sustainable) spatial balance between supply and demand. In all cases, consideration has also been given, at least qualitatively, to factors such as environmental capacity, proximity and transport networks. The later sections of this document provide more detailed observations regarding these various factors within each of the sub-regions in South Wales.
- B5. It should be noted that the historical sales figures and apportionments relate only to land-won primary aggregates. These materials are needed to satisfy the residual levels of demand, once allowance has been made for the 'top-sliced' proportion of supply which is obtained from secondary and recycled sources and from marine-dredged aggregates. These materials contributed to the overall market throughout the baseline period and will continue to do so, leaving only the residual demand to be supplied from primary land-won sources.

Figure B1: Sub-Regional Areas and their constituent Local Planning Authorities in South Wales

- B6. No reliable monitoring data on recycled and secondary aggregate production is currently available for any part of the UK. The recently updated Mineral Planning Factsheet on aggregates produced by the British Geological Survey (BGS, 2019)¹ estimates that these materials now constitute approximately 30% of overall supply (based on data provided by the Mineral Products Association), and that most of the material that is suitable for aggregates use (primarily construction, demolition and excavation waste – CD&EW) is already being recovered and utilised. This has been the case since around 2005² and the proportion is thought unlikely to change in the foreseeable future. Being closely dependent upon the rate of construction activity, the actual tonnages can therefore be expected to rise and fall in line with variations in the overall rates of economic growth and will have a neutral impact on the demand for primary aggregates, compared to that seen during the baseline period (2007 to 2016). Moreover, in the case of recycled aggregates, since the arisings of CD&EW are (by definition) very closely associated with the occurrence of new construction work, their availability is unlikely to have any significant influence on spatial patterns of demand.

¹ <https://www.bgs.ac.uk/downloads/start.cfm?id=1355>

² https://mineralproducts.org/documents/Contribution_of_Recycled_and_Secondary_Materials_to_Total_Aggs_Supply_in_GB.pdf

- B7. That might not be the case for secondary aggregates, which have a more varied spatial distribution, with different types and different quantities being available within each LPA. Again, there are no up-to-date data sources to provide further details, but there are indications that some of these sources may be declining in availability, which would potentially increase the demand on primary aggregates within those areas. Further observations on this are noted, where appropriate, in the later sections on individual sub-regional areas.

Land-won Primary Aggregate Production

- B8. The historical sales figures for all land-won primary aggregates within each LPA in South Wales (including both crushed rock and natural sand & gravel) are shown in Table B1, below. The proportion supplied from crushed rock sources (averaged over 10 years) is shown in the right-hand column. The LPAs are grouped according to the sub-regions shown in Figure B1. The origin of the data is explained fully in Chapter 3 of the main text.

Table B1: 10-year and 3-year Total Land-Won Primary Aggregates Sales Averages (to 2016) for each LPA in South Wales.

Local Planning 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)	Proportion from crushed rock sources
Ceredigion	0.300	0.240	0.300	63.33%
Pembrokeshire	0.510	0.360	0.510	100%
Pembrokeshire Coast NP	0.330	0.270	0.330	63.64%
Carmarthenshire	0.832	0.821	0.832	76%
Swansea	0.000	0.000	0.000	100%
Neath Port Talbot	0.460	0.300	0.460	100%
Powys	2.470	2.650	2.650	100%
Brecon Beacons National Park	0.490	0.540	0.540	100%
Merthyr Tydfil	0.150	0.010	0.150	100%
Bridgend	0.580	0.600	0.600	100%
Rhonda Cynon Taf	0.610	0.670	0.670	100%
Vale of Glamorgan	0.660	0.580	0.660	100%
Caerphilly	0.390	0.100	0.390	100%
Cardiff	0.830	1.060	1.060	100%
Blaenau Gwent	0.170	0.180	0.180	100%
Monmouthshire	0.070	0.060	0.070	100%
Newport	0.000	0.000	0.000	100%
Torfaen	0.000	0.000	0.000	100%
TOTAL, South Wales			9.402	97.04%

SOURCE: Collated by the South Wales RAWP secretary from confidential industry data.

- B9. The figures for land-based sand & gravel production in South Wales (i.e. zero in most cases) are greatly distorted by the reliance of South East Wales, in particular, on marine-dredged aggregates from the Bristol Channel and the Severn Estuary. West Wales is less dependent on marine aggregates and has a small number of active land-based sites, primarily within the Pembrokeshire Coast National Park and Ceredigion. Carmarthenshire also has one very small operation. Powys is too far removed from the coast to be influenced to any significant degree by marine aggregates, but still has only one small land-based sand & gravel site where planning permission has been suspended. The county is reliant instead on crushed rock material. Whilst there are potential resources of natural sand & gravel within the upper reaches of the Severn,

Wye and Usk valleys, those are primarily within the Brecon Beacons National Park, part of the Cardiff City sub-regional area.

- B10. The figures for crushed rock production within South Wales are dominated by the output from Powys, where a number of sandstone and igneous rock quarries supply HSA material to England - particularly to adjoining parts of the West Midlands. In the rest of South Wales, the picture is affected by the much smaller size of most of the individual planning authorities, Historical crushed rock sales in South Wales have been concentrated within Cardiff, Carmarthenshire, Bridgend, Vale of Glamorgan, Rhondda Cynon Taf and the Brecon Beacons National Park (which is where most of the larger Carboniferous Limestone quarries in South Wales are located), in the adjoining LPAs of Caerphilly and Neath Port Talbot, where additional HSA sandstone quarries are located, and in Pembrokeshire, where there is a mixture of limestone, igneous and slate quarries.
- B11. Significantly, there has been no crushed rock production, during the baseline period, within Swansea, Torfaen or Newport, and very little in Monmouthshire. In the case of Torfaen and Newport this is a reflection of the very limited outcrop of suitable resources, although Carboniferous Limestone was formerly extracted from Penhow Quarry in Newport. In the case of Swansea, the limestone resources are plentiful but are either within the Gower AONB or constrained by existing urban development. Swansea does, however, have relatively unconstrained resources of HSA sandstone. In Monmouthshire, permitted reserves of Carboniferous limestone remain at Ifton Quarry, though this is currently inactive and has been since at least the time of the First Review. Further observations on the relationships between production, resources, markets and environmental capacity within each of the sub-regions are given in paragraphs B30 *et seq.*, below.

Marine-dredged Aggregates

- B12. As noted above, in South Wales, the availability of marine-dredged sand & gravel is of major importance, with supplies being sourced from both Welsh and English waters within the Severn Estuary and the Bristol Channel. Over the 2007 to 2016 baseline period, marine aggregate landings within South Wales accounted for an average of almost 83% of total sand & gravel production, and 9.1% of total primary aggregate production. In south-east Wales (i.e. the Cardiff City and Former Gwent sub-regions), marine-dredged material is the only source of sand & gravel currently available, though it is understood that some commercial exploration work has recently been undertaken of potential resource blocks identified in an earlier study for Welsh Government by Thompson *et al* (2002).
- B13. Discussions with BMAPA in 2019 suggest that similar levels of marine aggregates production are likely to continue in future years, in line with the current Interim Marine Aggregates Dredging Policy (IMADP).
- B14. For the time being, it seems reasonable to suppose that marine-dredged aggregates will continue to supply a similar proportion of overall demand as they have done over the last decade, so the demand for land-won aggregates in any of the LPAs in South Wales is not likely to be affected.

Secondary Aggregate Production

- B15. Secondary aggregates comprise the by-products of various industrial processes, including metallurgical slags and power station arisings, but also the by-products from certain types of non-aggregate mineral extraction, such as colliery spoil and slate waste, and from the recycling of glass, ceramics, asphalt planings and rail ballast³.
- B16. Aggregate production from metallurgical slags has traditionally been an important source of secondary aggregate within South Wales. Port Talbot continues to produce both blast furnace (iron) and steel slag, whilst electric arc furnace steel slag is still produced from one site in Cardiff. The processing of older stockpiles of blast furnace slag at the former Llanwern steel works is now understood to have ceased. Secondary aggregates are produced from all of these materials

³ it might appear more logical to group these substances with other recycled materials from construction, demolition and excavation wastes (CD&EW). However, the coverage of CD&EW is already well defined in terms of survey returns, so those items are included here as secondary aggregates.

although volumes are thought to be declining, placing increased pressure on primary aggregate sources.

- B17. Coal-fired power station arisings, comprising pulverised fuel ash (PFA) and furnace bottom ash (FBA) are currently produced only at the Aberthaw Power Station. With the planned closure of all coal-fired power stations by 2025, this production will cease. Whether or not historic PFA stockpiles will be able to be worked in future remains to be seen.
- B18. Small amounts of aggregate minerals (sandstone and occasionally sand) arise adventitiously from the reworking of former colliery spoil tips or from the working of opencast coal. In South Wales, significant quantities of colliery spoil still exist in tips that have not been removed or landscaped under the Derelict Land Reclamation Scheme (and successors). The overall potential for producing aggregate from this material is small, however, for a combination of local (social and planning), fiscal and regulatory reasons, but could be locally significant, where the quality of the material is suitable for the end-uses required. Planning permission for the reworking of former tips exists at Tower Colliery (RCT) but is not being actively exploited at present. Reworking of the spoil from the former opencast workings at Tir Pentwys (straddling the border between Torfaen and Blaenau Gwent) has also been considered and is the subject of Preferred Area allocations in both authorities. A planning application for reworking the Torfaen part of the Tir Pentwys site was the subject of a recent Public Inquiry, but the Appeal was dismissed in August 2019, on the basis of impacts of the proposed access route on an area of Ancient Woodland. Unless and until an acceptable alternative means of access is provided, this renders the resources within that Preferred Area unworkable, and also precludes access to those on the Blaenau Gwent side.
- B19. Sandstone arisings from new opencast workings have been important as 'windfall' resources at a number of sites within the South Wales coalfield, but these are classed as primary aggregates and are therefore not considered further here.
- B20. Slate waste is produced in very small quantities in South Wales, from the northern part of the Pembrokeshire Coast National Park and in southernmost Ceredigion. However, the extent to which this resource has been utilised as aggregate is understood to be minimal, and the prospects for future utilisation are equally limited. Mention was made in the original RTS of the possibility of importing secondary aggregates from the much greater quantities of higher quality slate waste in North Wales, though this was also seen as a 'remote' prospect and no progress has since been made.
- B21. The various sources of secondary aggregate noted above, together with recycled aggregates, as discussed below, are currently exempt from the Aggregates Levy, in a deliberate attempt to minimise the use of primary aggregates. During 2019 and 2020, the Aggregates Levy was comprehensively reviewed by HMRC, but no changes have been made to those exemptions.

Recycled Aggregates

- B22. Aggregates produced from construction, demolition and excavation wastes (CD&EW) form an important contribution to the overall consumption of construction aggregates. The 2008 RTSs noted a total output for the whole of Wales of 3.97mt, based on 2005 survey data, and suggested a roughly 3 to 1 split between South Wales and North Wales, based on earlier surveys and population ratios. They also noted that, despite the lack of quantitative detail, it is inevitable that the greatest volumes of CD&EW arisings and usage are in the urban areas. The RTS documents emphasised, however, that all statistics for this sector need to be used with a high degree of caution, because of the low rate of response to the surveys.
- B23. The situation, in terms of available data, has not improved since the original RTSs were published. No new survey data is available, other than a C&D Waste survey in 2012, so any observations on recent or future trends can only be regarded as broad approximations. If anything, the efficiency of recycling is likely to have increased, and the introduction of WRAP's (2005) 'Quality Protocol' for the production of aggregates from inert waste may have increased the proportion and usage of higher value products derived from the various recycled sources. Such improvements, however, represent only small increments on the progress which had previously been made - primarily as a consequence of the price advantages resulting from the landfill tax and, to a lesser extent, the aggregates levy. The view of the Mineral Products Association (MPA), which is not disputed by the NRW, remains that there is limited opportunity

for significant further increase in the proportion of construction aggregate likely to be derived from this sector. As noted earlier, the future availability of recycled aggregates seems likely to be inextricably linked to the overall rates of construction activity and economic growth, so the safest assumption is that it will rise and fall in a very similar way to overall demand, and will thus have a neutral impact on the demand for primary aggregates, compared to the baseline period (2007 to 2016).

Imports and Exports

- B24. Wales has always been a net exporter of land-won aggregates. Data on both exports and imports is recorded in the periodic Aggregate Minerals (AM) Surveys, and data for exports in the last four surveys is summarised in Table B2, below.

Table B2: Summary of key export statistics for South Wales from recent AM surveys

<i>Note: all figures exclude sales for non-aggregate use</i>	AM2001 (mt)	AM2005 (mt)	AM2009 (mt)	AM2014 (mt)
(data from Table 4j of the AM reports)				
Land won Sand & Gravel Sales	0.115	0.304	0.144	0.205
S&G Exports*	0.001	0.011	0	0
South Wales S&G Exports as % of S&G total	1%	4%	0%	0%
Limestone Sales	6.536	6.137	4.554	4.540
Limestone Exports*	0.262	0.154	0.052	0.332
Exports as % of Limestone total	4%	3%	1%	7%
Igneous Sales	0.838	1.238	1.025	1.577
Igneous Exports*	0.572	0.430	0.694	0.829
Exports as % of Igneous total	68%	35%	68%	53%
Sandstone Sales	2.648	3.498	2.605	1.709
Sandstone Exports*	1.457	1.941	1.258	0.852
Exports as % of Sandstone total	55%	55%	48%	50%
Total Crushed Rock Sales**	10.310	10.873	8.185	7.825
Total CR Exports*	2.302	2.527	2.003	2.013
South Wales CR Exports as % of CR total	22%	23%	24%	26%

* 'exports' are primarily to England but include some movement between South Wales and North Wales.

** Unlike the figures used elsewhere in this Review, crushed rock sales in the AM reports exclude slate

- B25. In South Wales, the main export in terms of overall tonnage is of sandstone, the vast majority of which is High Specification Aggregate (HSA) - skid-resistant road surfacing material with a Polished Stone Value (PSV) of 58 or above, and generally much higher (Thompson, Greig & Shaw 1993; Thompson *et al.*, 2004).
- B26. In 2002, the total output of HSA sandstone from South Wales was 1.280mt⁴. This amounts to some 88% of the previous year's (AM 2001) figure of 1.457 for all sandstone exports from South Wales (the difference representing the change from 2001 to 2002 and the inclusion of some non-HSA sandstone in the latter figure). Of the total HSA sandstone output from South Wales in 2002, some 69% is known to have been exported to England, with the remaining 31% being utilised in Wales, (including domestic consumption within South Wales and exports to North Wales). Of the total HSA sandstone exported, most was supplied from five quarries and two opencast sites in the Pennant Measures of the South Wales coalfield (from which 58% of HSA output was exported to England in 2002); whilst the remainder was sourced from three HSA sandstone quarries in Powys (from which a much higher proportion - 88% - was exported to England).

⁴ Source for this and subsequent data on High Specification Aggregates: unpublished information collated by the author as part of the Capita Symonds' analysis of High Specification Aggregates production in 2002 (Thompson *et al.*, 2004).

- B27. Reference to Table B2 shows that, although there was a reduction in sandstone exports between 2005 and 2009, the difference is much less marked than was the case for Wales' other main aggregate export – limestone from North Wales (see Appendix A), especially in percentage terms. This reflected the fact that the market for skid-resistant road aggregate held up better, during the recession of 2007 and 2008, than had been the case for more general-purpose limestone aggregate (presumably because of the safety imperative of continuing to maintain skid resistance on major roads). However, whilst the North Wales limestone exports had largely recovered by the time of the AM 2014 survey, HSA sandstone exports from South Wales continued to decline, as did the overall sales of these materials. The explanation for this decline is not clear. It may at least partly have been due to a marked reduction in production capacity from some of the major HSA quarries in South Wales over this period: Cribarth Quarry closed in 2014, following a number of years of declining output as permitted reserves were used up; Gelligaer Quarry was inactive between 2012 and 2015; and Hafod Fach Quarry has been inactive since 2015. There does also seem to have been a fall in demand, however, as seen in the steadily declining outputs from Cwm Nant Lleici Quarry, from 2007 to 2014 (Thompson, 2015). If similar trends occurred at other active HSA units, it may reflect the relatively low priority given to road construction and maintenance, since the recession, by comparison with the more focused spending on house building.
- B28. Imports of land-based aggregates are very minor, by comparison with exports. In South Wales in 2014 (from Table 5j of the AM 2014 survey report), land-based imports amounted to 0.042mt of sand & gravel and 0.079mt of crushed rock, primarily limestone from South West England. These compare with imports of 0.064mt of sand & gravel and 0.172mt of crushed rock in the previous (AM 2009) survey.
- B29. Imports and exports of marine-dredged sand and gravel between England and Wales are only relevant to the RTS apportionment exercise if they affect the continuity of supply of these materials to Wales and thus give rise to increased demand on land-based resources. This is potentially an issue in South East Wales which, as noted earlier, is heavily dependent upon marine aggregates. At the time of the First Review, Wales was a net importer of marine sand & gravel, dredged from the English side of the median line in the Bristol Channel and the Severn Estuary. This was noted in the Review as being likely to change, subject to the approval of new licence applications within Welsh waters. By 2019, the relative balance between imports and exports has shifted as a consequence of a new licence that has been recently permitted across the median line between English and Welsh waters. However, significant trade continues from English licences to Welsh markets as well as vice versa. In Liverpool Bay, the only licence area in Welsh waters remains a net exporter to north west English markets.

Sub-Regional Analysis

- B30. In the First Review, the sub-regional analysis for South Wales was based on three broad areas: Mid Wales, South West Wales and South East Wales. In this review, as explained earlier and as illustrated in Figure B1, above, it is based on five smaller areas, each one being intended to approximate a relatively 'self-contained' market area for aggregate production and sales, with little movement of aggregate taking place between adjoining areas, other than exports to England.
- B31. Maps corresponding to each of these areas are presented in Figures B2 to B11 below. For each sub-region there are three maps. The first one shows the distribution of aggregate resources and existing quarries. The second map, at a smaller scale, deals with 'proximity' issues (i.e. the relationships between resources, quarry locations, major roads and the distribution of both planned housing requirements in each LPA and existing urban areas). Planned housing requirements are used in preference to the population density maps that were used in the First Review, although both distributions are shown, for comparison, in Figures 4.7 and 4.8 of the main document. The third map for each sub-region then deals with environmental capacity issues, utilising output from the earlier IMAECA analysis (Enviros, 2005). All of the larger maps are presented at the same approximate scale, as are all of the smaller maps (as indicated in each case by the 30km scale bar).
- B32. It must be emphasised that these maps show only resources and not permitted reserves. **Resources** are geological materials, including rocks and naturally occurring sand & gravel, which have the potential to be used for a particular purpose (in this case as construction

aggregates). **Permitted Reserves** are those parts of a resource which are known to be suitable for this purpose (usually as a result of detailed ground investigations and laboratory testing) and which have valid planning permission for the winning and working of the materials in question. The outlines of permitted reserves are not shown on the maps.

- B33. The resources are illustrated in several main categories. Natural **sand & gravel resources**, as mapped by the British Geological Survey (BGS) may be associated with five different types of 'superficial' deposits, as shown on the key to each map, though the extent of workable mineral within these deposits is highly variable. Some of the maps show an additional category of sand & gravel resource blocks that were identified in more detailed study for the Welsh Assembly by the former Symonds Group. These were identified primarily in terms of reconnaissance-level mapping of Quaternary geology and geomorphology, supported by very limited borehole investigations (Thompson *et al*, 2000), and were examined further in a comparative environmental assessment of both marine and land-based resources (Thompson *et al*, 2002). The resource blocks are shown by the deep red shading on the maps for the Swansea, Cardiff and Former Gwent areas.
- B34. **Crushed rock resources** within the area comprise Carboniferous (and older) HSA sandstones (i.e. those which are generally suitable for use as High Specification Aggregates – HSA – for use in skid-resistant road surfacing); Carboniferous Limestones (which are subdivided, on the larger maps, into high purity (>97% CaCO₃) and other limestones); Igneous Rocks (including HSA dolerites, which are differentiated on the larger maps); and Slates.
- B35. The quarries shown on the maps are categorised in the same way as the resources. They include both active and inactive units (as of 2018), the latter including a small number of dormant sites and one suspended permission. Separate listings of all active, inactive and dormant (or suspended) sites in South Wales are given in Tables B3, B4 and B5, respectively.

West Wales Sub-Region

- B36. Figure B2, below illustrates the distribution of quarries and land-based aggregate resources within West Wales. For ease of presentation, Ceredigion is shown separately to Pembrokeshire and the Pembrokeshire Coast National Park. The crushed rock resources comprise:
- **Silurian and Ordovician HSA sandstones**, currently worked at Ystrad Meurig and Alltgoch quarries in Ceredigion, respectively;
 - a wide variety of **igneous rocks**, including quartz diorite worked at Bolton Hill in Pembrokeshire and volcanic rhyolite, worked at Rhyndaston Quarry, just inside the National Park;
 - **Ordovician slates**, currently worked only at Glogue Quarry in Pembrokeshire; and
 - **Carboniferous Limestone**, worked at Blaencilgoed (a.k.a. Gellihalog Quarry) in Pembrokeshire and at Carew, just inside the National Park.
- B37. In addition, there are extensive **glacial** and **glaciofluvial sand & gravel** deposits around Cardigan, straddling the boundaries between the National Park (Trefigin and Pantgwyn Quarries), Pembrokeshire and Ceredigion (Penyparc Quarry). Glaciofluvial deposits are also present along the Teifi valley in Ceredigion (currently worked at Pant Quarry), and in more localised areas elsewhere (including Crug-yr-Eryr Quarry, in Ceredigion). **Alluvial sand & gravel** is also worked, on a very small scale, in the Rheidol valley at Glanyrafon in Aberystwyth.
- B38. Figure B3 illustrates the relationships of these quarries and resources to issues relating to the likely pattern of demand (as indicated by proximity to existing urban areas, planned housing requirements and the primary road network); and issues relating to environmental capacity.
- B39. Most if not all of the quarries are thought likely to serve markets which lie primarily within the West Wales sub-region. This is not least because of the distance of most of them from other markets further north and east, the limited road connections across the Cambrian Mountains in mid-Wales and the existence of other quarries closer to those other market areas. Within the sub-region, some of the quarries are well-placed in relation to local centres of demand, for example around Pembroke, Haverfordwest and Cardigan, whilst others are located in more distant, rural locations, as dictated by the available resource outcrops.

- B40. Overall, there is limited justification for changing the existing pattern of supply, from a proximity point of view. There is more justification in seeking changes from an environmental perspective – particularly in order to encourage a shift of production, in future, away from the National Park. This would require increased output (and/or new sources to be established) in other areas – particularly in Ceredigion which, as noted in the main report, does not currently supply aggregates in proportion to its share of sub-regional housing requirements.
- B41. In the case of sand & gravel production, potential opportunities (in terms of resources) exist within Ceredigion, both close to Cardigan (though these are generally in areas of relatively low environmental capacity) and further upstream along the Teifi valley (where environmental capacity has not been assessed). Additional resources also occur on the opposite side of this valley in neighbouring Carmarthenshire, and it would be sensible for these to be included in the search for opportunities. In this regard, the First Review of the RTS suggested that there would be merit in developing a combined approach to future apportionments and allocations between Pembrokeshire, Ceredigion and Carmarthenshire. Although Carmarthenshire is in a separate sub-region (primarily because of the market for crushed rock in the Swansea area), it is recommended that these joint working arrangements should continue, with regard to sand & gravel.

Figure B2: Aggregate Resources and Quarries in the West Wales Sub-Region

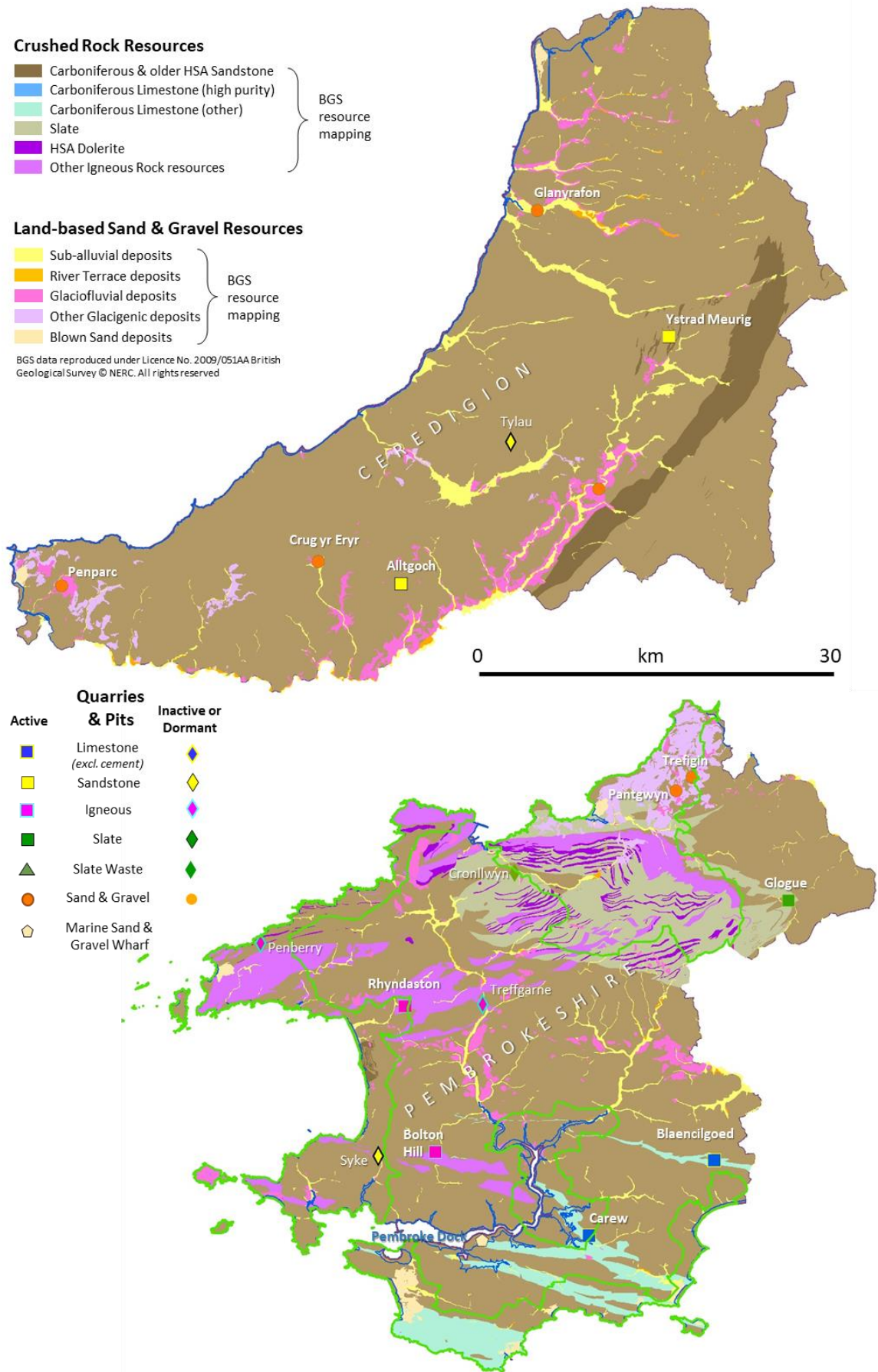
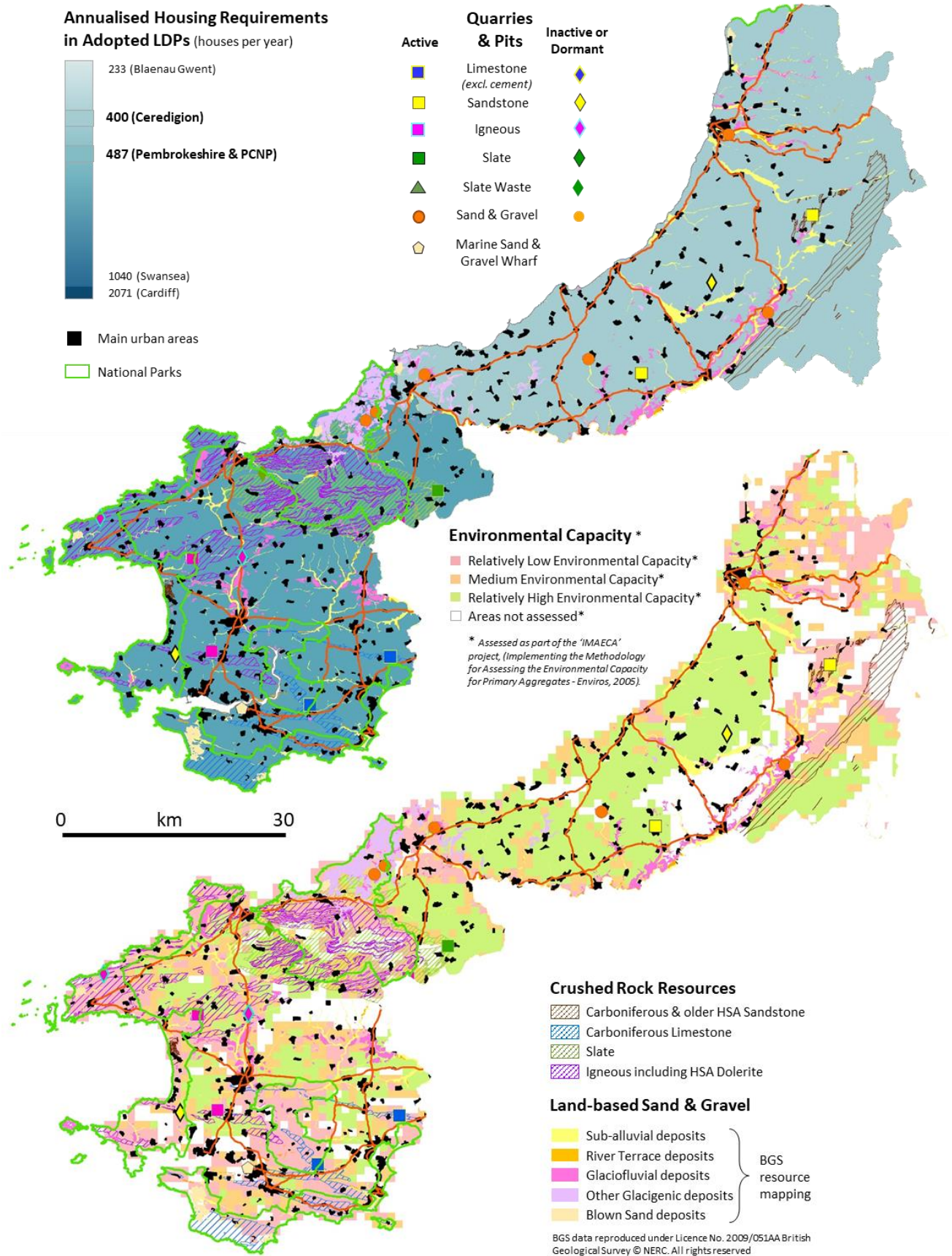


Figure B3: Aggregate Resources, Quarries, Planned Housing Requirements and Environmental Capacity in the West Wales Sub-Region



Swansea City Sub Region

- B42. Figure B4 illustrates the distribution of quarries and land-based aggregate resources within the Swansea City sub-region. In this area, the rock resources are mostly confined to the southern part of Carmarthenshire and to Swansea and Neath Port Talbot. They comprise:
- **Carboniferous Limestone**, currently worked at several quarries along a narrow outcrop in southern Carmarthenshire, with a more extensive outcrop in the Gower Peninsula (almost all of which lies within the Gower Area of Outstanding Natural Beauty and is thus most unlikely to be worked);
 - **Carboniferous HSA sandstone**, currently worked predominantly at Cwm Nant Lleici and Gilfach quarries in Neath Port Talbot, and on a much smaller scale, at Pennant Quarry in Carmarthenshire, but extending though all areas in between, including Swansea itself;
 - **Silurian sandstone**, currently worked only at Foelfach, in Carmarthenshire
 - Small, isolated outcrops of **igneous rocks**, only one of which (at Garn Wen in western Carmarthenshire) is currently worked; and
 - **Ordovician slates**, in the same area of western Carmarthenshire, which are not worked at all.
- B43. In addition, there are **glaciofluvial sand & gravel** deposits in various parts of sub-region, including a number of potential resource blocks identified by the Symonds Group study for Welsh Assembly (Thompson *et al* 2000). At present, however, the only operational site is a very small, intermittently active area of river gravel extraction at Llwynjack in the Tywi valley.
- B44. Figure B5 illustrates the relationships of the various resources and quarries to issues relating to the likely pattern of demand (as indicated by proximity to existing urban areas, planned housing requirements and the primary road network); and issues relating to environmental capacity. As can be seen from these maps, the limestone quarries appear to be reasonably well-placed (given the distribution of unconstrained resources) in terms of their proximity to Swansea and adjoining urban areas. A number of inactive quarries are also present along the same narrow limestone outcrop in Carmarthenshire, close to four of the currently active sites, implying that there would be scope for increasing supplies from this area if demand were to increase. Given the constraints which apply to virtually all other limestone outcrops in the area, there would be no opportunity to change the overall pattern of limestone supply.
- B45. The Carboniferous HSA sandstones within the area primarily comprise those of the westernmost part of the South Wales Coalfield (i.e. the 'Pennant' Sandstones) and are highly sought-after as premium, skid-resistant road surfacing aggregates. The two main operational quarries (Gilfach and Cwm Nant Lleici) export to England, as well as supplying local markets. In the case of Cwm Nant Lleici, more than 50% of the output is distributed by rail, with a much lower proportion being transported by rail from Gilfach. The location of both quarries, within the eastern part of the sub-region, and close to the Neath Abbey railhead, is therefore sensible, from a proximity point of view. Gilfach is also within an area of high environmental capacity, as are most of the unworked resources in Neath Port Talbot, though that is not the case for Cwm Nant Lleici.

Figure B4: Aggregate Resources and Quarries in the Swansea City Sub-Region

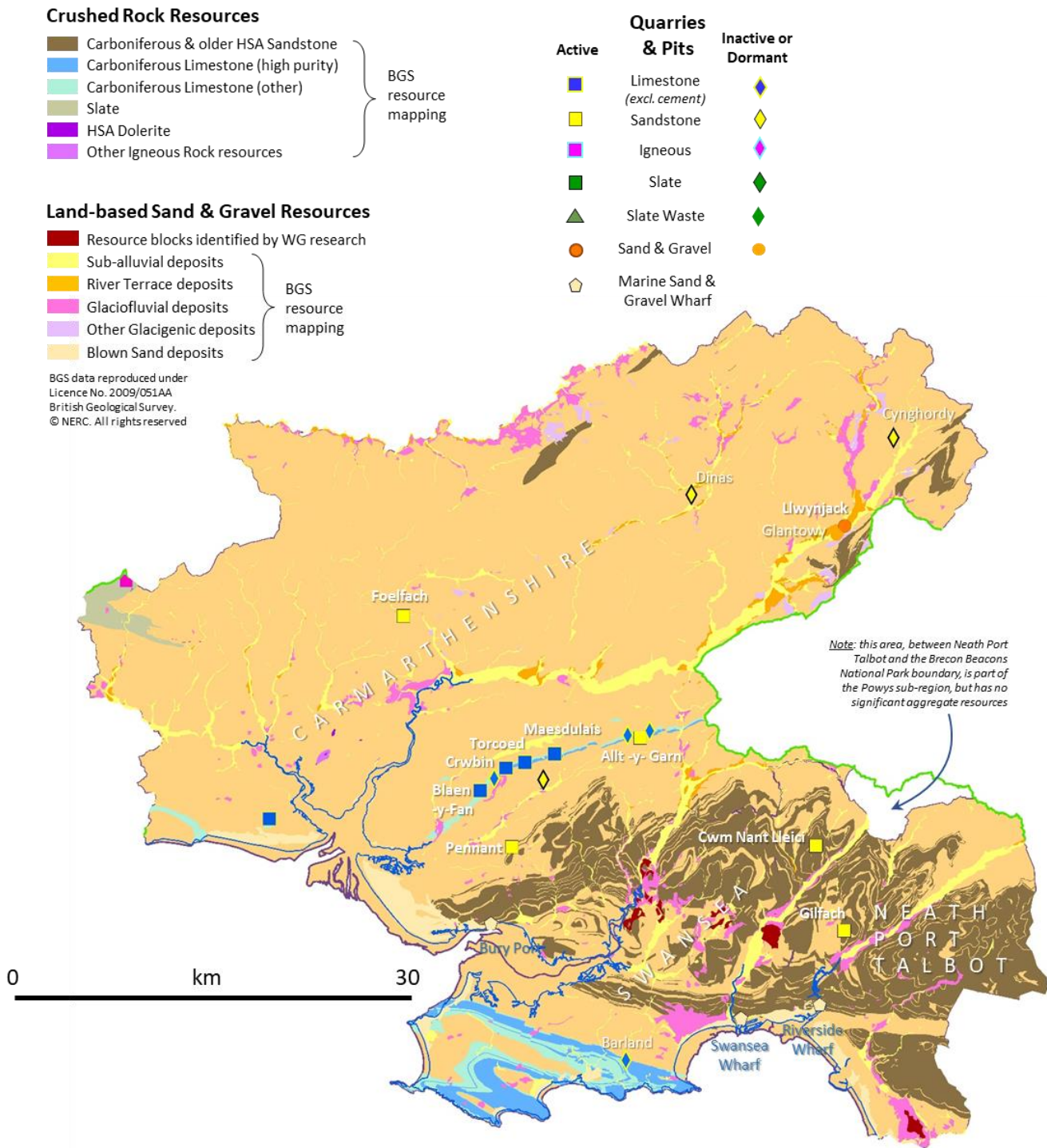
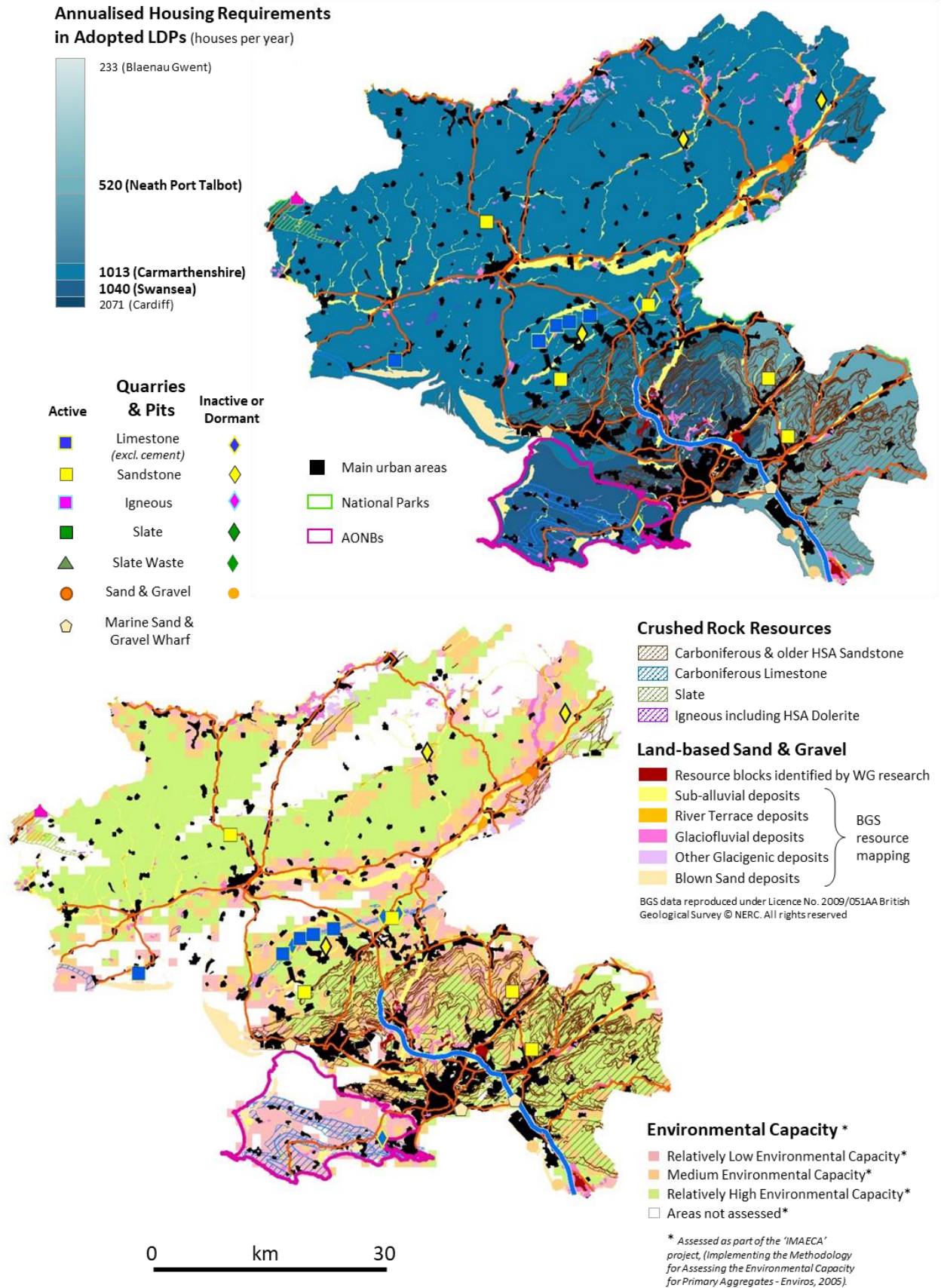


Figure B5: Aggregate Resources, Quarries, Planned Housing Requirements and Environmental Capacity in the Swansea City Sub-Region



- B46. As noted in the main document, there would be some merit in seeking to redistribute future HSA sandstone within the region, in order to provide a more equitable distribution between Neath Port Talbot and Swansea (which has the same resources but no current production and, hitherto, no apportionments). This would, potentially, enable advantage to be taken of Pennant Sandstone outcrops within Swansea that are located in areas of relatively high environmental capacity (for example close to Junction 44 of the M4, south of Pontardawe, or between Pontardawe and Pontarddulais). In both cases, however, those outcrops lie within a higher part of the Pennant Sandstone sequence, known as the Swansea Beds, which have not, hitherto, been worked on a modern commercial scale and which may be of inferior quality in terms of aggregate properties and/or the continuity and thickness of sandstone units. The suggestion would require further detailed investigations before it could be relied upon.
- B47. In the RTS First Review it was noted that there might also be merit in deliberately seeking to change the existing supply pattern by reducing future output from Neath Port Talbot and increasing that from other LPAs further east within the Pennant Sandstone outcrop (e.g. Rhondda Cynon Taf, Caerphilly, Torfaen or Blaenau Gwent), in order to reduce the transportation distances of HSA material that is exported to England by road, rather than rail. It must be remembered, however, that proximity is only one aspect of sustainability which must be balanced against many other factors. For example, a high proportion of the resource outcrop within Neath Port Talbot coincides with areas of high environmental capacity whereas such areas are more limited further east.
- B48. Older (Silurian) sandstones including the Yr Allt Formation (formerly known as the Bala Series Grits) occur in various parts of northern Carmarthenshire. These are now worked at only one active quarry in the county (Foelfach), and only to supply local markets.
- B49. Igneous rocks (Prescelly dolerite) are currently exploited in only one location, at Garn Wen in Carmarthenshire. The rock has a reasonably high PSV of 57 but not sufficient to qualify as High Specification Aggregate (HSA) and tends to be used as a more general purpose aggregate within the local market area. Other outcrops of igneous rock within the sub-region are confined to localised minor intrusions in the west of Carmarthenshire and are not likely to be seen as commercially viable resources.
- B50. In terms of land-based sand & gravel resources, as noted above these do exist within the sub-region and, although many of those within river valleys, especially, fall within areas of low environmental capacity, others appear to be better placed in this respect. These include resource blocks close to Swansea, identified in the Symonds Group study, and extensive glaciofluvial deposits within the Teifi valley, around Llanybydder in Carmarthenshire. The fact that none of these are being exploited at present suggests that there is insufficient demand and/or commercial interest, not least because of the ready availability of marine dredged sand from the Bristol Channel, which is landed at the Swansea, Riverside and Bury Port wharves (shown in Figure B4). This almost certainly diminishes the commercial prospects for working resources in Swansea, Neath Port Talbot, and much if not all of Carmarthenshire.

Powys Sub-Region

- B51. Figure B6, below, shows the distribution of resources and quarries within the county of Powys, excluding the Brecon Beacons National Park in the south, which forms part of a separate sub-region. In this area, despite the widespread occurrence of hard rock resources, those which are regarded as exploitable aggregate resources are far more limited and localised. This is, not least, because of the relatively remote and upland nature of the landscape which dictates that only those resources of exceptional quality and/or proximity to established markets, are actively worked. These comprise:
- **Precambrian HSA Sandstone**, of the Yat Wood and Strinds Formations, worked from very localised inliers at Gore, Dolyhir and Strinds quarries, close to the Herefordshire border, near Kington;
 - **Ordovician HSA sandstone**, of the Cribarth Formation – worked until recently at Cribarth Quarry, which closed in 2014 following the exhaustion of permitted reserves;
 - **Silurian HSA sandstone**, worked in only one part of the extensive outcrop of the Penstrowed Grits Formation, at Tan-y-Foel quarry, north-west of Newtown;

- **Ordovician HSA dolerite**, worked from a large but very localised intrusion at Criggion Quarry near Welshpool;
 - **Ordovician HSA igneous rocks** of the Llanellwedd Volcanic Formation, worked at the very large Builth Wells Quarry;
 - **Ordovician igneous rock**, worked from a localised intrusion within a predominantly shale quarry at Middletown, near Welshpool; and
 - **Devonian Old Red Sandstone**, worked on a very small scale, primarily for building stone, at Tredomen Quarry in the south of the area.
- B52. Limestone resources are largely absent within mid Wales, though a very small outcrop of Silurian limestone is worked alongside HSA sandstones at Strinds Quarry, close to the English border.
- B53. There are also **glaciofluvial** and **fluvial (river terrace and sub-alluvial) sand & gravel** deposits in various parts of sub-region, though none of these is currently exploited. The resources are mostly within the upper reaches of river valleys and are unlikely to offer much in the way of commercially viable opportunities - not least because of the widely dispersed population and hence limited local demand. One site that was previously worked, at Caerfagu, is now a suspended planning permission, with (effectively) no remaining reserves.
- B54. The emphasis in Powys is therefore very clearly on the production, and export to England, of High Specification (skid-resistant) Aggregates. With the exception of Builth and Tan-y-Foel, the HSA quarries exploit very localised geological outcrops. To varying degrees, similar material is likely to exist in adjoining parts of the same formations, but only within a few kilometres of those quarries. Tan-y-Foel is a relatively small quarry which exploits HSA sandstones from the Penstrowed Grits Formation. Whilst the outcrop of this formation is far more extensive, most of it is not suitable for commercial HSA quarrying because of the interbedded nature of the rocks, with the HSA sandstones alternating with largely unsaleable mudstones and shales. For this reason, the formation is not shown on Figure B6, or on B7 (which shows the relationship of the quarries and resources to factors relating to proximity and environmental capacity). Builth Wells Quarry exploits part of a much larger and variable outcrop of volcanic igneous rocks in central Powys. The extent to which similar (HSA) qualities will occur in other parts of those outcrops is not known, but the extremely large permitted reserves which remain at Builth render this immaterial.
- B55. Overall, the scope for significantly modifying the existing supply pattern of sandstone and igneous rock within central Powys is therefore extremely limited. There would be potential benefits to be gained, in terms of proximity, by limiting future planning permissions to resource outcrops closest to the English border, although those areas (around Criggion, Gore and Dolyhir quarries) are seen to have relatively low environmental capacity (in part, at least, because of the existing quarries).

Figure B6: Aggregate Resources and Quarries in the Powys Sub-Region

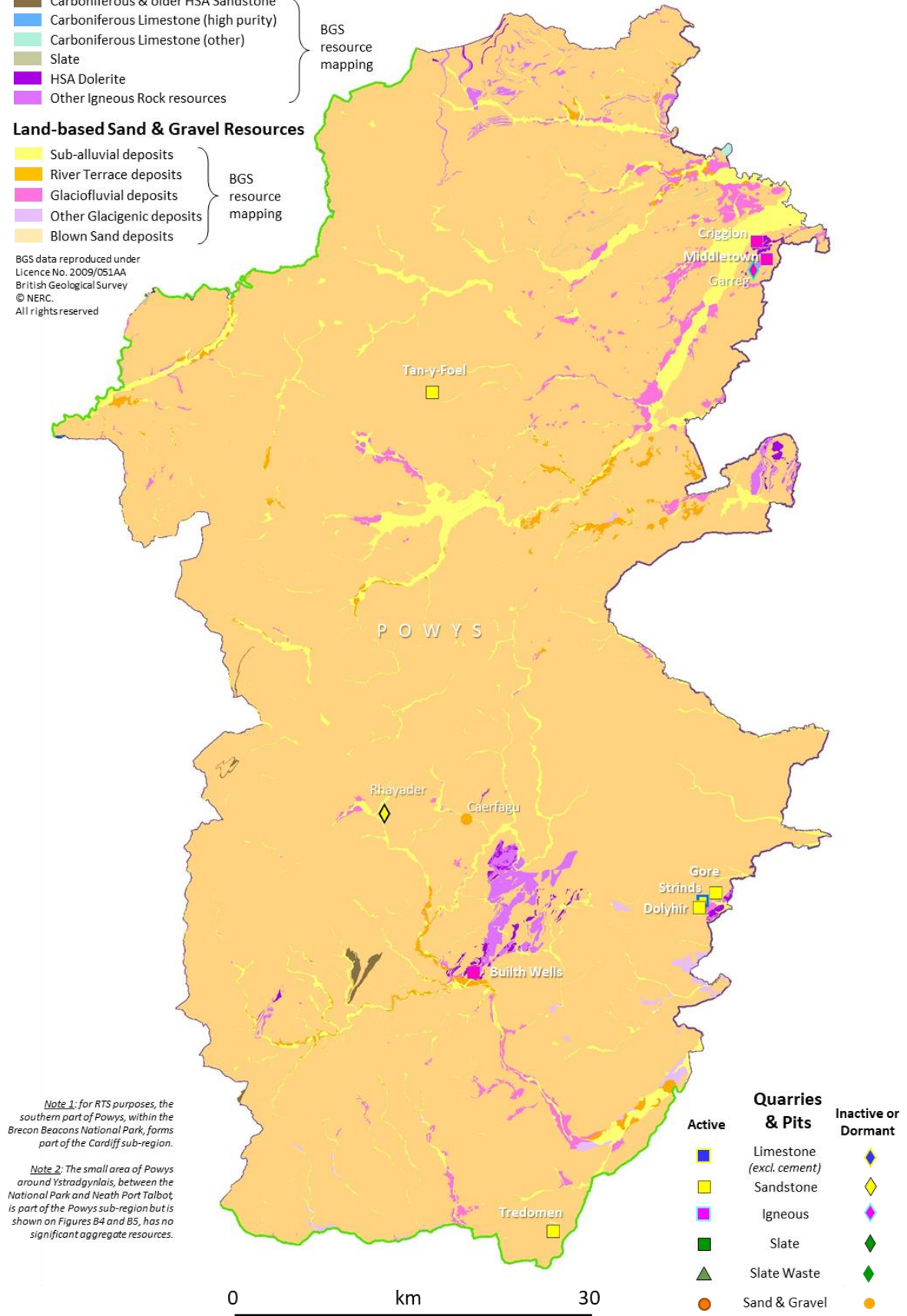
Crushed Rock Resources

- 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

- Sub-alluvial deposits
 - River Terrace deposits
 - Glaciofluvial deposits
 - Other Glacigenic deposits
 - Blown Sand deposits
- } BGS resource mapping

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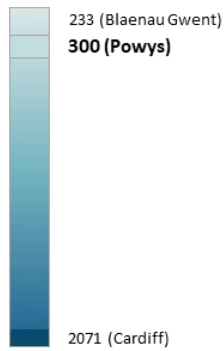
Note 1: for RTS purposes, the southern part of Powys, within the Brecon Beacons National Park, forms part of the Cardiff sub-region.

Note 2: The small area of Powys around Ystradgynlais, between the National Park and Neath Port Talbot, is part of the Powys sub-region but is shown on Figures B4 and B5, has no significant aggregate resources.

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

Figure B7: Aggregate Resources, Quarries, Planned Housing Requirements and Environmental Capacity in the Powys Sub-Region

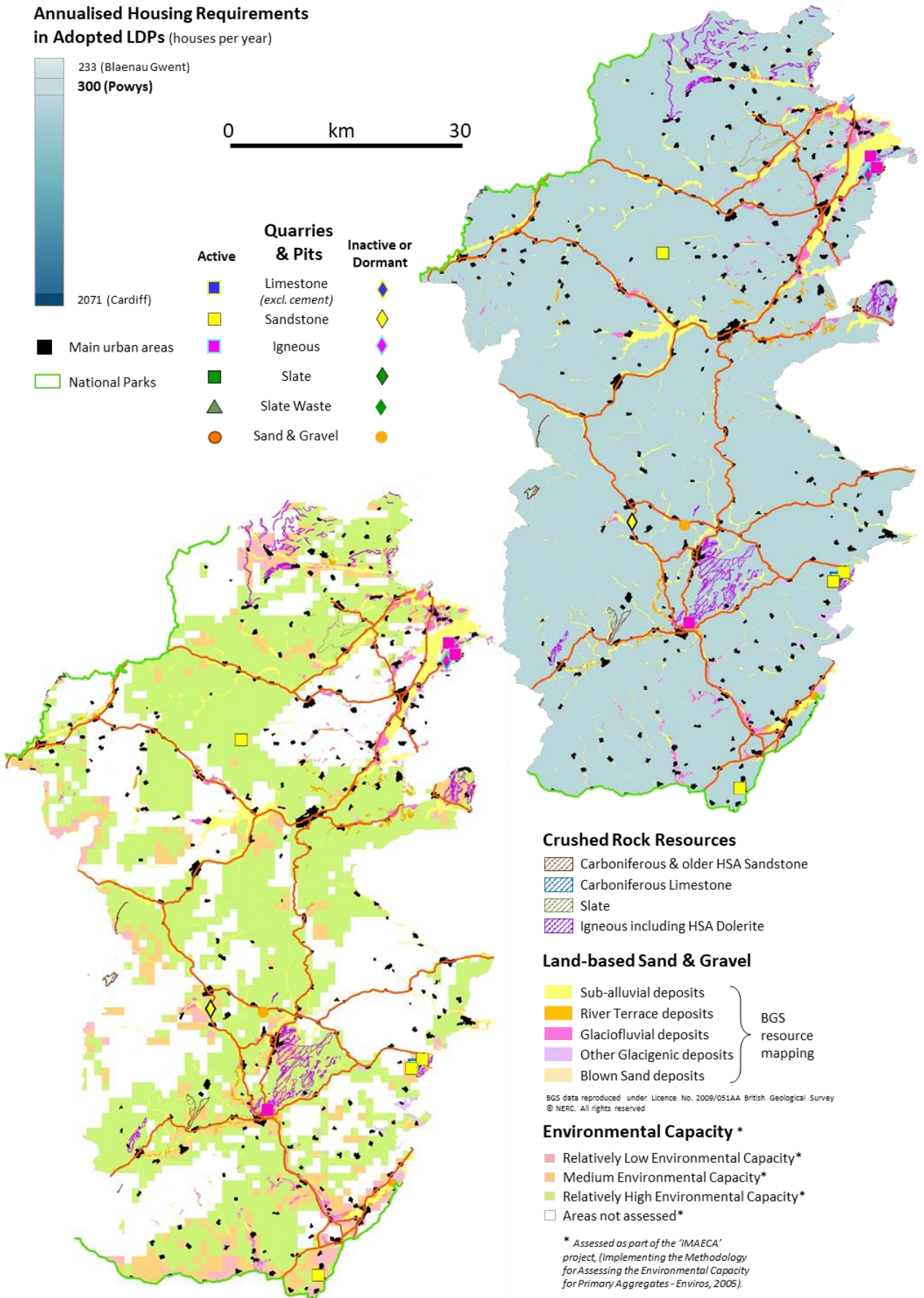
Annualised Housing Requirements in Adopted LDPs (houses per year)



0 km 30

- | Active | | Quarries & Pits | Inactive or Dormant |
|--|--------------------------|--|--------------------------|
| ■ | Limestone (excl. cement) | ◆ | Limestone (excl. cement) |
| ■ | Sandstone | ◆ | Sandstone |
| ■ | Igneous | ◆ | Igneous |
| ■ | Slate | ◆ | Slate |
| ▲ | Slate Waste | ◆ | Slate Waste |
| ● | Sand & Gravel | ● | Sand & Gravel |

- Main urban areas
- National Parks



- 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

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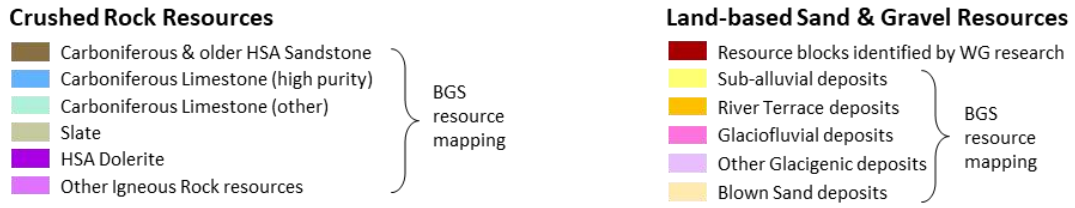
- Environmental Capacity***
- Relatively Low Environmental Capacity*
 - Medium Environmental Capacity*
 - Relatively High Environmental Capacity*
 - Areas not assessed*

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

Cardiff City Sub-Region

- B56. This sub-region, as illustrated in Figures B8 and B9, below, comprises Cardiff, the Vale of Glamorgan and Bridgend, along with the valleys directly to the north in Rhondda Cynon Taf, Merthyr Tydfil and Caerphilly, and the Brecon Beacons National Park. The National Park is included primarily because of the major Carboniferous Limestone quarries of Penderyn (active) and Vaynor (currently inactive) which are located within or straddling the southern edge of the Park, and which primarily supply aggregates southwards into the valleys. Ammanford quarry, at the far western edge of the Park is anomalous in this regard, being associated primarily with the neighbouring Swansea sub-region, but its output is very small.
- B57. Crushed rock resources in this sub-region fall into just two, very clearly distinguished groups:
- **Carboniferous HSA sandstone** resources within the coalfield area which, like those to the west, are highly sought-after as sources of premium, skid-resistant road surfacing aggregates. They are exploited by a number of specialist quarries – Craig-yr-Hesg, Gelligaer, Bryn and Hafod Fach (currently inactive) which supply much of their output to England; and
 - **Carboniferous Limestone** resources, to the north and south of the coalfield, which are host to a large number of active and inactive quarries, focused primarily on the supply of general purpose construction aggregates into Cardiff and other centres of demand within the area.
- B58. **Land-based sand & gravel resources** have also been identified within the area, primarily within the valleys. However, many of these are either sterilised by existing urban development or lie within the National Park, and none are currently worked. Instead, the area is entirely dependent, for natural sand, on marine-dredged material from the Bristol Channel which is landed in Cardiff.
- B59. The Carboniferous ‘Pennant’ Sandstone quarries are generally well-placed, within the overall resource outcrop, to supply both local markets within SE Wales and to export HSA to England, though none of them is rail-connected. The sales, both for local consumption and exports, include end-uses other than skid resistant road surfacing, though this is usually because it is often convenient and economical to use the same aggregate in some of the lower layers of road construction as that which is required for use in the surface course.
- B60. Pennant Sandstone resources are widespread within the sub-region, where they coincide, to some extent, with areas of relatively high environmental capacity - particularly within parts of Bridgend, Rhondda Cynon Taf and Caerphilly. Whilst these areas are less extensive than those within Neath Port Talbot and Swansea in the adjoining sub-region (see para’s B45 to B47 above), they may, nevertheless offer prospects for future resource development, as indeed may those of lower apparent capacity - particularly in the case of extensions to existing quarries. In terms of proximity to export markets, these areas offer greater benefits than those further west, though there is less opportunity (if any) for access to railheads. These may be important factors when considering the pattern of future allocations, though this is not required at present within this sub-region (see Chapter 5 of the main document).
- B61. The Carboniferous Limestone resources within this sub-region occur in two distinct areas: the **north crop** (to the north of the South Wales coalfield); the **south crop** (to the south of the coalfield). Each of these areas is considered separately, below.
- B62. Within the north crop, the limestones occur almost entirely within the Brecon Beacons National Park and are currently (or have until recently been) worked at two main sites: Penderyn (within the National Park, in the northern part of Rhondda Cynon Taf); and Vaynor (north of Merthyr Tydfil, on the boundary of the National Park). Both of these sites are well-placed, in terms of proximity, to serve the densely populated valleys of the South Wales coalfield, with most of those areas being within 20 to 30km of the quarries. However, the location of the quarries within areas of low environmental capacity and wholly or partly within the National Park places major constraints on any future expansion. In the case of Vaynor Quarry, the adjoining resources outside the National Park are partially sterilised by other development and could not be developed as an extension of the existing quarry.

Figure B8: Aggregate Resources and Quarries in the Cardiff City Sub-Region



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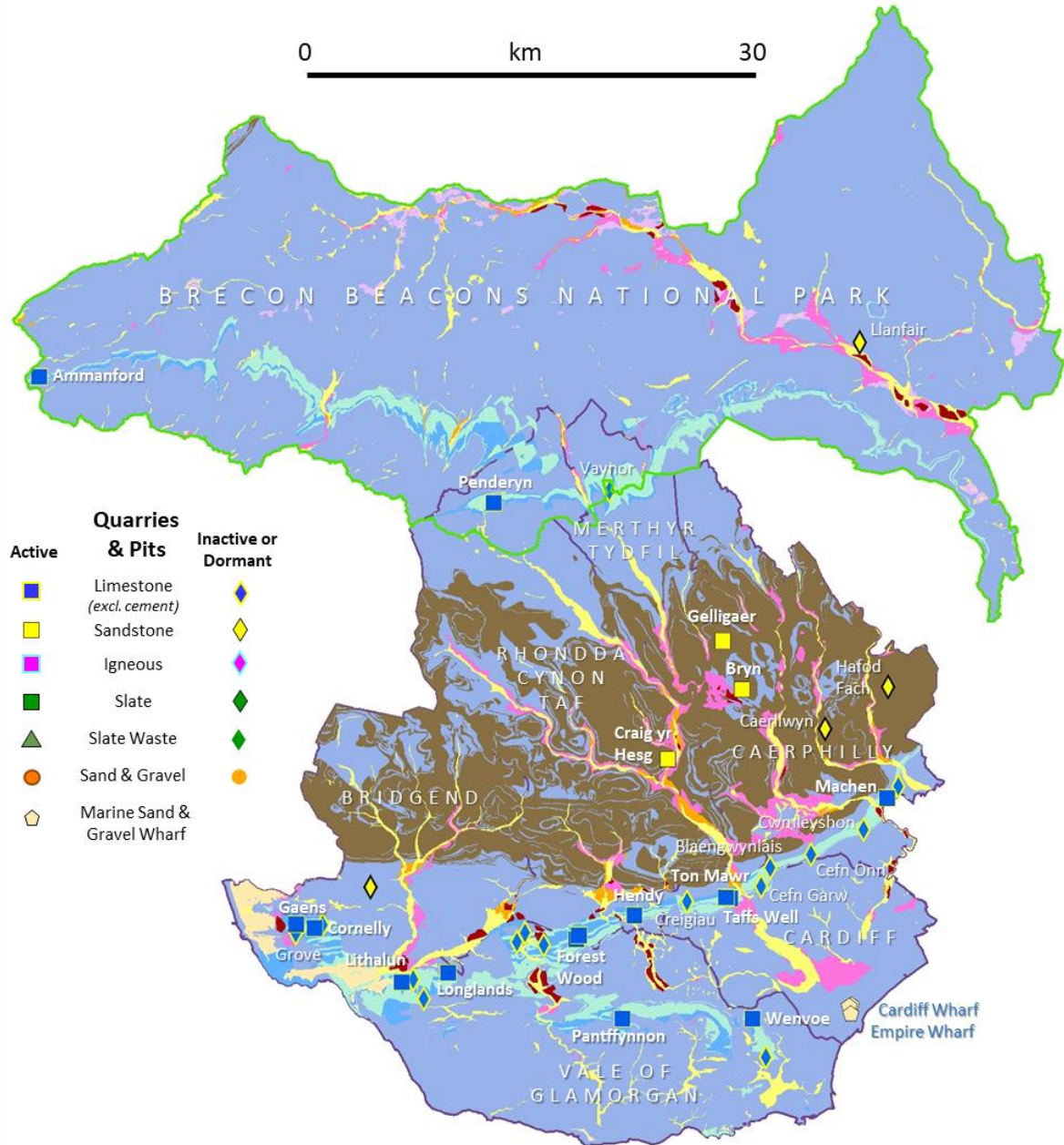
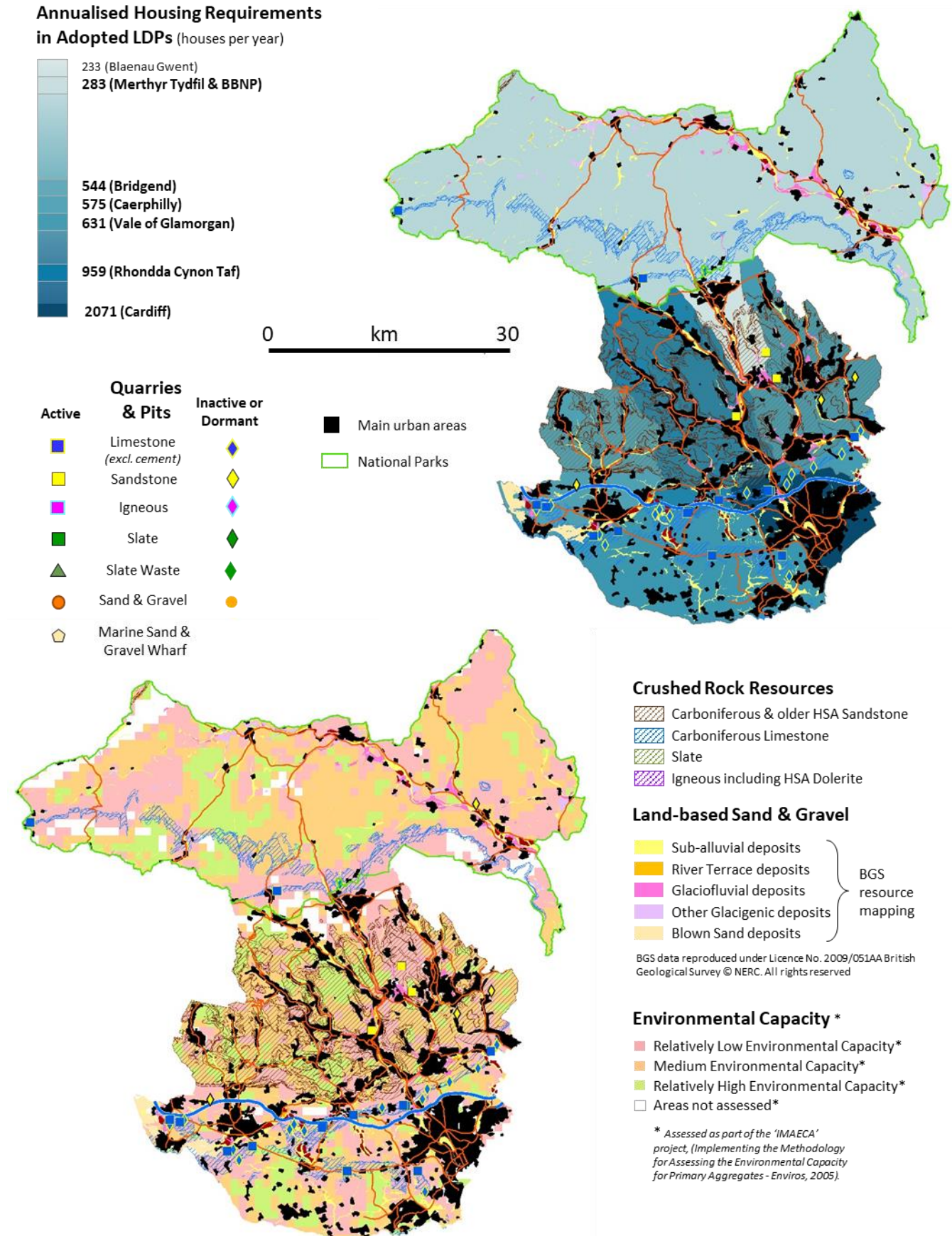


Figure B9: Aggregate Resources, Quarries, Planned Housing Requirements and Environmental Capacity in the Cardiff City Sub-Region

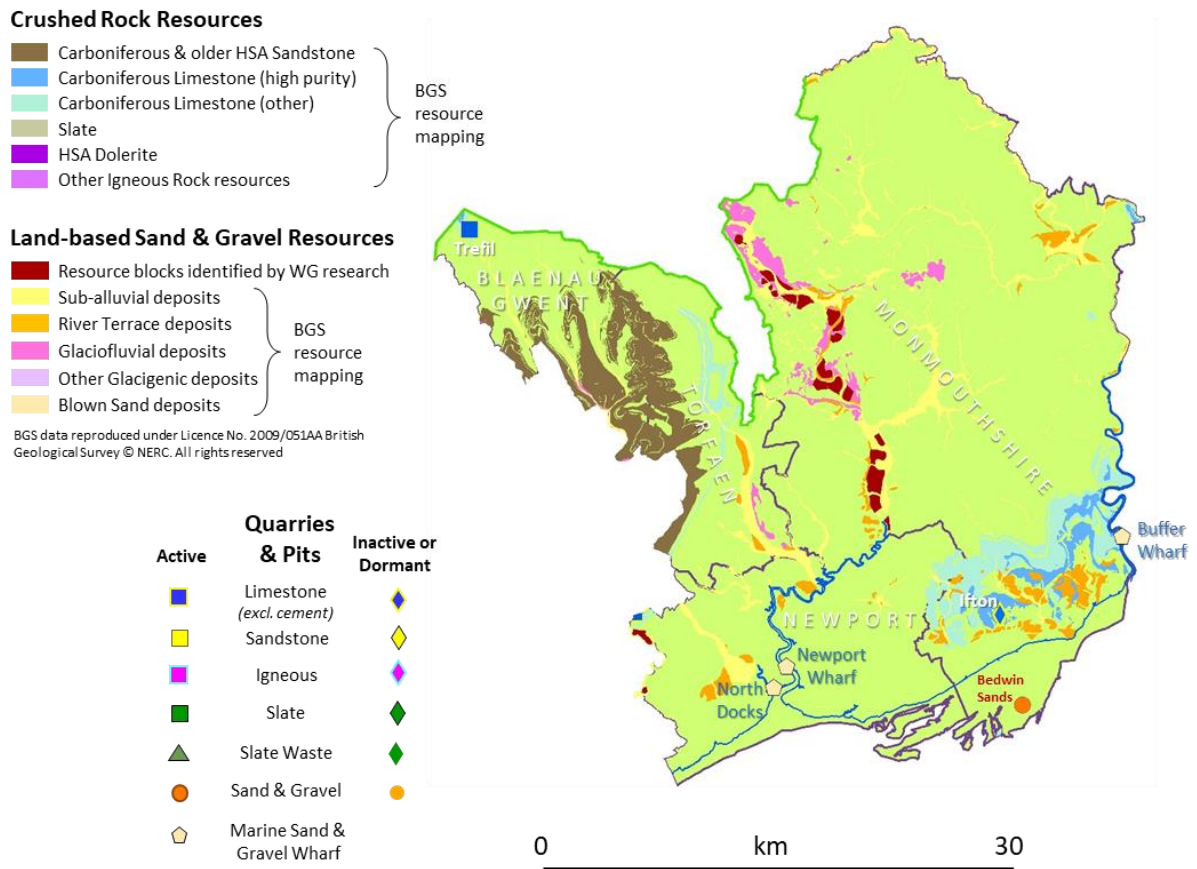


- B63. The second, and most important area of Carboniferous Limestone resource in the Cardiff City sub-region is that within the 'south crop', extending from Bridgend in the west, through the Vale of Glamorgan and Cardiff to Caerphilly in the east. No less than ten active limestone aggregate quarries are located in this area, although one of these (Cornelly) supplies industrial limestone, to the steelworks at Port Talbot, as well as aggregates. Most of these units are located close to the M4 motorway and, together, they are well-placed to supply most of the Cardiff city sub-region as well as the markets in Port Talbot to the west and Newport and Torfaen, to the east.
- B64. Almost all of the south crop resources fall within areas of relatively low environmental capacity (though these are less constrained than those within the National Park). Areas with higher capacity appear to be those in the southernmost part of Caerphilly, in the east, and around Cowbridge in the Vale of Glamorgan, further west. Either of those areas could potentially offer prospects for future resource development, though extensions to existing quarries within the area would be less disruptive and more likely to be preferred.
- B65. As noted above, there is currently no land-based sand & gravel extraction within the Cardiff City sub-region (or indeed within the whole of SE Wales), and this has generally been the case for decades. This is due in part to the ready availability of marine dredged sand from both the Severn Estuary and the Bristol Channel, but also reflects the environmental sensitivity of many of the inland areas which might contain potentially suitable resources. The situation is compounded by the lack of detailed knowledge of those resources (not least because there has been virtually no history of extraction). Reconnaissance-level surveys commissioned by the Welsh Assembly (Thompson *et al*, 2000, 2002) identified a series of potential resource blocks, which are shown by the deep red shading on the maps. Most of those in the Cardiff sub-region are located within the Brecon Beacons National Park, but others are located close to and south of the M4 motorway in the southern part of the area. Most of these fall within areas which have since been assessed as being of relatively low environmental capacity, though some of them, at least, may justify further investigation.

Former Gwent Sub-Region

- B66. Figures B10 and B11, below, illustrate the distribution of land-based aggregate resources, quarries and marine aggregate wharves within the former-Gwent sub-region (i.e. Blaenau Gwent, Torfaen, Newport and Monmouthshire).
- B67. As in the Cardiff sub-region directly to the west, the crushed rock resources in this area fall into two, very clearly distinguished categories:
- **Carboniferous HSA sandstone** resources within the eastern edge of the coalfield, in Blaenau Gwent and Torfaen. Like those in both Cardiff and Swansea sub-regions to the west, these provide sources of premium, skid-resistant road surfacing aggregates though, in this area, they have yet to be exploited as such; and
 - **Carboniferous Limestone** resources, which crop out in a very limited area in the north of Blaenau Gwent (where they are currently worked at Trefil Quarry); along a narrow, hitherto unworked outcrop at the eastern edge of the coalfield in Torfaen, largely sterilised by existing development; and over a much larger area in southern Monmouthshire (including the currently inactive Ifton Quarry). The latter outcrop extends into the eastern edge of Newport and was formerly worked at Penhow Quarry.
- B68. **Land-based sand & gravel resources** have also been identified within the area, primarily as glacio-fluvial, river terrace and sub-alluvial gravels within the Usk Valley, but also as terrace and sub-alluvial gravels elsewhere. As with the resources in both Cardiff and Swansea sub-regions, none of the deposits are currently worked. Marine-dredged sand is, instead, obtained from licences within the Bristol Channel and the Severn Estuary, and from a planning permission (above the low water mark) on the Bedwin Sands. These are landed at Newport Wharf and North Docks, within the Usk estuary, and at Buffer Wharfe on the Wye estuary.

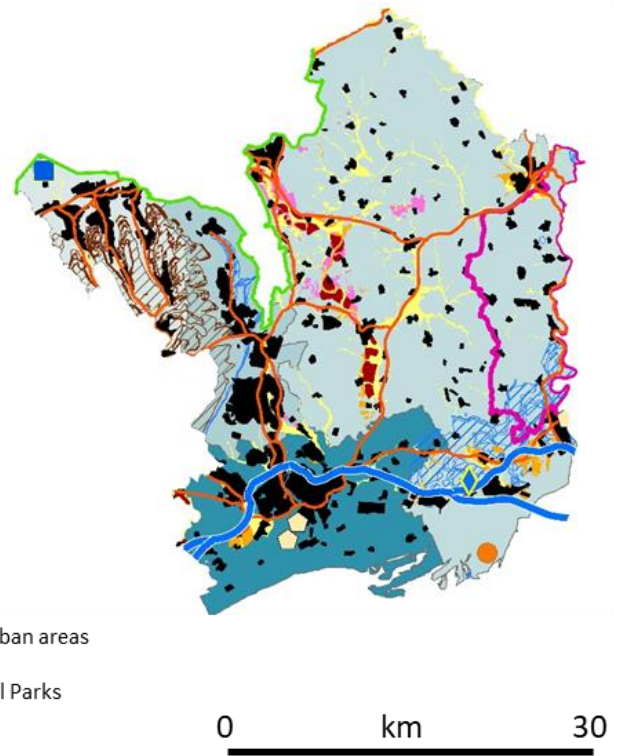
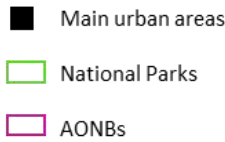
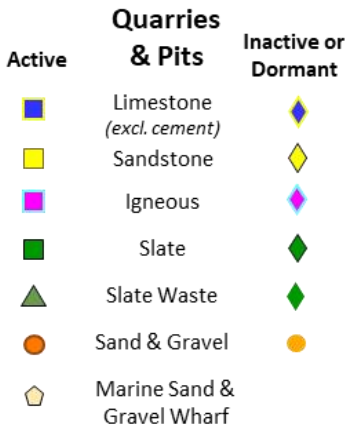
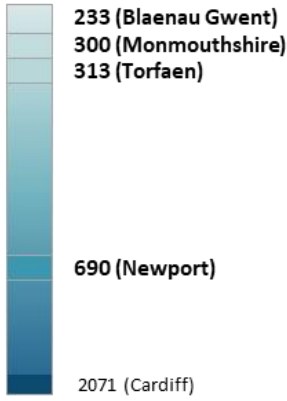
Figure B10: Aggregate Resources and Quarries in the Former Gwent Sub-Region



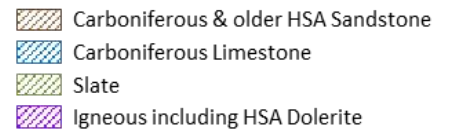
- B69. The Carboniferous Limestone resources provide essential, general-purpose construction aggregates. Those around Trefil Quarry in the north are recognised as a Preferred Area for future extraction in the Blaenau Gwent LDP, but are also constrained by being at the western edge of a subsequently-designated geological SSSI. They are located within an area of relatively low environmental capacity and are directly adjacent to the southern boundary of the Brecon Beacons National Park. Trefil is important, however, in providing the only source of active limestone production in the whole of this sub-region and the most proximal source of construction aggregates for the eastern coalfield valleys. It is also the only location within the whole of the north crop limestone resources in South Wales where an existing permission could be extended without encroaching into the National Park itself.
- B70. A far more extensive outcrop of Carboniferous Limestone resources occurs within southern Monmouthshire, though the eastern part of this outcrop falls within the Wye Valley Area of Outstanding Natural Beauty. There are currently no active quarries in the whole of this area but there is one inactive quarry at Ifton which has significant unworked permitted reserves. Beyond that site, virtually all of the unworked resources fall within areas of low environmental capacity. Pressure for future quarry development here appears to be offset, at present, by the availability of supplies from Machen quarry in Caerphilly, to the west, and from other quarries within the neighbouring Forest of Dean, in England, to the east.
- B71. Although Newport and Torfaen do have Carboniferous Limestone resources, the outcrop in those areas is very thin and much of it is sterilised by existing built development. Most of the available resources there are also within areas of relatively low environmental capacity, though that applies equally to most (but not all) of the south crop limestone resources.

Figure B11: Aggregate Resources, Quarries, Planned Housing Requirements and Environmental Capacity in the Former Gwent Sub-Region

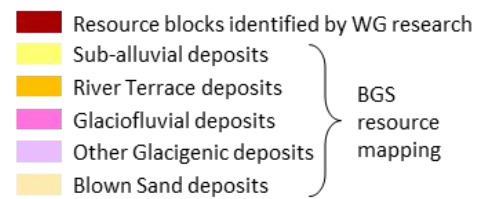
Annualised Housing Requirements in Adopted LDPs (houses per year)



Crushed Rock Resources

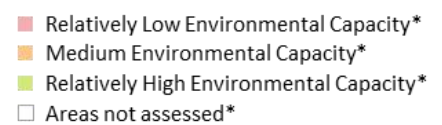


Land-based Sand & Gravel



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Environmental Capacity *



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



- B72. Pennant Sandstone resources are widespread within Blaenau Gwent, and along the high ground at the western edge of Torfaen. Some of the outcrop coincides with areas of relatively high or moderate environmental capacity and one such area, to the south of Cwm, in Blaenau Gwent, has been allocated in the LDP as a Preferred Area for future sandstone extraction. A further area, straddling the Blaenau Gwent /Torfaen border at Tir-Pentwys, further south, is an area of former opencast coal extraction where the remaining spoil had been identified as Preferred Areas for future working of secondary aggregate⁵ in both LDPs. However, as noted earlier, an application for sandstone extraction (on the Torfaen side) was dismissed on Appeal, effectively sterilising the resources within both of those areas.
- B73. As noted earlier, there is currently no land-based sand & gravel extraction in the whole of SE Wales, including the Former Gwent sub-region. The extraction which takes place on the Bedwin Sands within the Severn Estuary, though technically a land-based planning permission rather than a marine dredging licence, has traditionally been grouped with other landings of marine sand & gravel.
- B74. The reconnaissance-level surveys commissioned by the Welsh Assembly (Thompson et al., 2000; 2002) identified several potential resource blocks within the lower Usk Valley (shown by the deep red shading on Figure B10 and B11). Again, these fall almost entirely within areas which have since been assessed as being of low environmental capacity, though it is understood that some of the areas have recently been subject to more detailed, and promising, commercial investigations. It remains to be seen whether or not any proposals for developing these resources will be brought forward.

Summary of Current Sources of Supply in South Wales

- B75. Tables B3 to B5, below, list the currently active, inactive and dormant aggregate quarries (respectively) in each of the sub-regions of South Wales, updated to August 2018. The lists exclude quarries devoted to the manufacture of cement, building stone, silica sand, shale or other non-aggregate products, although they include two quarries which supply both aggregates and industrial limestone.

Table B3: Active Aggregate Quarries in South Wales (2018)

Quarry Name	Operator	Commodity	Easting	Northing
CEREDIGION				
Alltgoch / Bryn	G D Harries & Sons Ltd	Sandstone	249100	248500
Crug-yr-Eryr	R Powell	Sand & Gravel	242075	250310
Glanrafon Gravel Pit	CB Environmental Ltd	Sand & Gravel	260635	280300
Pant	Teifi Sand & Gravel	Sand & Gravel	265825	256575
Penparc	Cardigan Sand & Gravel Co.	Sand & Gravel	220000	248260
Ystrad Meurig (HSA)	Hanson Aggregates	Sandstone	271810	269570
PEMBROKESHIRE				
Blaencilgoed / Gellihalog	G D Harries & Sons Ltd	Limestone	215800	210700
Bolton Hill	G D Harries & Sons Ltd	Igneous	191800	211400
Cefn	Dyffrig Davies	Slate	220500	242900
Glogue	Mansel Davies & Son Ltd	Slate	221900	232840
PEMBROKESHIRE COAST NATIONAL PARK				
Carew	T Scourfield & Sons	Limestone	204900	204300
Pantgwyn	Cware Pantgwyn Quarry Ltd	Sand & Gravel	212400	242820
Rhyndaston	Mason Brothers	Igneous	189250	223625
Trefigin	Cware Trefigin Quarries Ltd	Sand & Gravel	214000	243900
CARMARTHENSHIRE				
Allt-y-garn	Alan Griffiths (Contractors)	Silica Sandstone	258676	215794
Blaen-y-Fan	Gower Plant Hire	Limestone	245640	211520

⁵ The RTS requirements for primary aggregate extraction are based on the assumption that secondary and recycled aggregates will continue to contribute to the overall aggregate requirements, as they have done in the past. Secondary aggregate production cannot therefore be utilised to offset the RTS requirements for primary aggregates.

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Coygen	GD Harries & Sons Ltd	Limestone	228430	209210
Crwbin	Tarmac	Limestone	247805	213360
Garnbica (Maesdulais)	Gower Plant Hire	Limestone	251720	214610
Garn Wen	G D Harries & Sons Ltd	Igneous	216740	228680
Foelfach	Sigma Rock	Sandstone	239368	225753
Llwynjack	C J Lewis	Sand & Gravel	275400	233100
Pennant	T. Richard Jones Ltd.	Sandstone	248225	206950
Torcoed	Tarmac	Limestone	249000	213870
NEATH PORT TALBOT				
Cwm Nant Lleici (HSA)	Aggregate Industries UK	Sandstone	273175	207080
Gilfach (HSA)	CEMEX UK	Sandstone	275370	199880
POWYS				
Builth Wells (HSA)	Hanson Aggregates	Igneous	305105	252125
Criggion (HSA)	Hanson Aggregates	Igneous	328900	314400
Dolyhir (HSA)	Tarmac	Sandstone	324300	258425
Gore (HSA)	Tarmac	Sandstone	325700	259250
Middletown	Border Hardcore & Rockery	Igneous	329880	312850
Strinds	Tarmac	Limestone	324110	257855
Strinds (HSA)	Tarmac	Sandstone	324110	257855
Tan-y-Foel (HSA)	Breedon / H V Bowen	Sandstone	301240	301460
Tredomen	Powys Stone Supplies	Sandstone	311820	230400
BRECON BEACONS NATIONAL PARK				
Ammanford	Messrs Griffiths & Williams	Limestone	264910	217640
Penderyn	Hanson Aggregates	Limestone	295500	209000
MERTHYR TYDFIL				
Gelligaer (HSA)	Hanson Aggregates	Sandstone	311550	199600
BRIDGEND				
Cornelly	Tarmac	Limestone	283625	180160
Gaen's	T S Rees Ltd	Limestone	282380	180430
RHONDDA CYNON TAF				
Craig-yr-Hesg (HSA)	Hanson Aggregates	Sandstone	307917	191726
Forest Wood	Hanson Aggregates	Limestone	301600	179650
Hendy	Tarmac	Limestone	305340	181095
VALE OF GLAMORGAN				
Forest Wood extension	Hanson Aggregates	Limestone	301425	179400
Lithalun	Hanson Aggregates	Limestone	289560	176500
Longlands	Green Circle Aggregates Ltd	Limestone	292770	177220
Pantyyfynnon Quarry	Seth Hill & Son Ltd	Limestone	304565	174000
Wenvoe	CEMEX UK	Limestone	313410	174000
CAERPHILLY				
Bryn (HSA)	Bryn Aggregates Ltd	Sandstone	312600	196400
Machen	Hanson Aggregates	Limestone	322555	189000
CARDIFF				
Taff's Well	CEMEX UK	Limestone	312200	182200
Ton Mawr	T S Rees Ltd	Limestone	311560	182350
BLAENAU GWENT				
Trefil	Gryphon Quarries Ltd	Limestone	311975	213690

Table B4: Inactive Aggregate Quarries in South Wales (2018)

Quarry Name	Operator	Commodity	Easting	Northing
CEREDIGION				
Tylau	W J Evans	Sandstone	258380	260590
PEMBROKESHIRE				
Cronllwyn	Cronllwyn Quarry	Slate Waste	198550	235195
PEMBROKESHIRE COAST NATIONAL PARK				
Bottom Meadow	E Morgan	Limestone	203750	205870
Syke	G D Harries & Sons Ltd	Sandstone	187120	210915
CARMARTHENSHIRE				
Cilyrychen	Tarmac	Limestone	225900	221500
Coed Moelion	Mr N. Richards	Sandstone	250800	212400
Dinas (HSA)	Tarmac	Sandstone	262740	235530
SWANSEA				
Barland	Cuddy Group	Limestone	257540	189530
NEATH PORT TALBOT				
Margam Sand Pit	Associated British Ports	Sand	275500	188500
POWYS				
Rhayader (HSA)	Tarmac	Sandstone	297395	265875
BRECON BEACONS NATIONAL PARK				
Vaynor (part)	Hanson Aggregates	Limestone	303600	209900
MERTHYR TYDFIL				
Vaynor (part)	Hanson Aggregates	Limestone	303600	209900
BRIDGEND				
Cefn Cribbwr	T S Rees Ltd	Sandstone	287400	182800
Grove	Tarmac	Limestone	282249	179871
VALE OF GLAMORGAN				
Ewenny	Tarmac	Limestone	290250	176805
Garwa	Tarmac	Limestone	297940	179840
CAERPHILLY				
Blaengwynlais (part)	Tarmac	Limestone	314610	184265
Cwmleyshon	Hanson Aggregates	Limestone	321000	186930
Hafod Fach (HSA)	Tarmac	Sandstone	322580	196500
CARDIFF				
Blaengwynlais (part)	Tarmac	Limestone	314610	184265
Cefn Garw	Mr E Bassett	Limestone	314000	183000
Creigiau	Tarmac	Limestone	309000	181975
MONMOUTHSHIRE				
Ifton	Hanson Aggregates	Limestone	346400	188770

Table B5: Dormant (or Suspended) Aggregate Quarries in South Wales (2018)

Quarry Name	Operator	Commodity	Easting	Northing
PEMBROKESHIRE				
Treffgarne	Sealyham Activity Centre	Igneous	195875	223965
PEMBROKESHIRE COAST NATIONAL PARK				
Penberry	Hendre Eynon Farm Ltd.	Igneous	176940	229220
CARMARTHENSHIRE				
Cynghordy	Mr D Roderick	Sandstone	279400	240300
Glantowy	Mr A Lewis	Sand & Gravel	274745	232375
Limestone Hill	Dan Williams	Limestone	246670	212600
Llwyn-y-Fran	Hobbs Holdings Ltd	Limestone	257690	216032
Pen-y-banc	Mrs Antonia Jones-Davies	Limestone	247035	212960
Pwll-y-March	Gower Plant	Limestone	259475	216380
POWYS				
Caerfagu (suspended)	Caerfagu Products	Sand & Gravel	304400	265350
Garreg	Hanson Aggregates	Igneous	328760	311935
BRECON BEACONS NATIONAL PARK				
Llanfair	Glanusk Estate	Sandstone	320705	219975
BRIDGEND				
Stormy Down	Hobbs Holdings Ltd	Limestone	284185	180380
VALE OF GLAMORGAN				
Argoed Isha	T Pritchard & J Rosser	Limestone	299250	179050
Cnap Twt	Duchy of Lancaster	Limestone	291055	175350
Ruthin	Tarmac	Limestone	297390	179220
St Andrews	Mr T J Bowles	Limestone	314350	171340
CAERPHILLY				
Caerllwyn	Mr & Mrs Thomas	Sandstone	318350	193700
Cefn Onn	Trustees of W. Lewis Estate	Limestone	317400	185200
Ochr Chwith	Hanson Aggregates	Limestone	323325	189810

- B76. Whilst any of the sites listed in these tables may be able to contribute to future supply (subject to the dormant sites obtaining new development consents through the ROMP process⁶), it is only the active and remaining inactive sites which contributed to the reserves figures presented in Table 5.5 and 5.7 of the main document. Reserves at dormant sites are noted separately in those tables. The active sites and some of the currently inactive ones, together with a small number of other sites which have since closed, contributed to the historical sales over the baseline period (2007 to 2016).
- B77. Full lists of active, inactive and dormant sites for individual years prior to 2018 are given in the relevant annual RAWP reports.

Apportionments, Allocations and Guidance to LPAs in South Wales

- B78. Tables B6 and B7, below, summarise the apportionments, permitted reserves and allocations for land-won sand & gravel and for crushed rock (respectively) which have been assigned to each Local Planning Authority in South Wales.
- B79. The pages which follow set out in more detail the recommendations and guidance for each individual LPA in South Wales, drawing upon the figures set out in these tables. The LPAs are dealt with in alphabetical order. In each case, reference to the 'Plan period' relates to the end date of the Local Development Plan which has been adopted or is nearing completion (whichever is later) for that particular planning authority.

⁶ ROMP is the acronym for the Review of Old Mineral Permissions, under the Environment Act 1995. Further details are given in the Glossary at the end of the Main Document.

Table B6: Apportionments, Reserves and Allocations for Sand & Gravel in South Wales

Local Planning Authority	New Annualised Apportionment for sand & gravel (mt)	Total Apportionment Required over 22 years	Existing permitted reserves at end of 2016 in mt	Minimum Allocation needed to meet Required Provision (mt)	Additional reserves at Dormant sites, 2016 (mt)
Ceredigion	0.188	4.136	0.510	3.626	0
Pembrokeshire	0.000	0.000	0.000	0.000	0
Pembrokeshire Coast NP	0.118	2.600	2.600	0.000	0
Carmarthenshire	0.003	0.058	0.100	See note 1	0.35
Swansea	0.000	0.000	0.000	0.000	0
Neath Port Talbot	0.000	0.000	0.000	0.000	0
Powys	0.000	0.000	0.000	0.000	0
Brecon Beacons NP	0.000	0.000	0.000	0.000	0
Merthyr Tydfil	0.000	0.000	0.000	0.000	0
Bridgend	0.000	0.000	0.000	0.000	0
Rhondda Cynon Taf	0.000	0.000	0.000	0.000	0
Vale of Glamorgan	0.000	0.000	0.000	0.000	0
Caerphilly	0.000	0.000	0.000	0.000	0
Cardiff	0.000	0.000	0.000	0.000	0
Blaenau Gwent	0.000	0.000	0.000	0.000	0
Monmouthshire	0.000	0.000	0.000	0.000	0
Newport	0.000	0.000	0.000	0.000	0
Torfaen	0.000	0.000	0.000	0.000	0
Sub-totals, South Wales	0.309	6.795	3.21	3.626	0.35
TOTALS Wales	1.353	29.758	18.406	11.394	0.85

SOURCE: Table 5.5 of the main document

1. There is no specific allocation for Carmarthenshire but, subject to collaborative agreement with the LPAs in West Wales, the sand & gravel allocations needed for Ceredigion could potentially be provided, in part, from neighbouring parts of Carmarthenshire, despite being in a different sub-region.

Where allocation requirements are shown these are the minimum amounts required to meet the RTS requirements. In many cases an application for an individual new permission will exceed these amounts, in the interests of economic viability. Such applications should not be rejected purely on the grounds of exceeding the minimum requirements shown here. In some cases, the suggested allocations may already have been partially or entirely fulfilled, either by new permissions granted since 2016, or by allocations that have already been identified in LDPs. See following text for details

Table B7: Apportionments, Reserves and Allocations for Crushed Rock in South Wales

Local Planning Authority	New Annualised Apportionment for crushed rock (mt)	Total Apportionment Required over 25 years.	Existing permitted reserves at end of 2016 in mt	Minimum Allocation needed to meet Required Provision (mt)	Additional reserves at Dormant sites, 2016 (mt)
Ceredigion	0.272	6.798	5.370	1.428	0
Pembrokeshire	0.677	16.932	16.720	0.212	0
Pembrokeshire Coast NP	0.259	6.470	10.370	0.000	0
Carmarthenshire	1.102	27.556	59.900	0.000	13.82
Swansea	0.305	7.636	0.000	7.636	0
Neath Port Talbot	0.305	7.636	16.480	0.000	0
Powys	3.519	87.981	139.240	0.000	0
Brecon Beacons NP	0.368	9.200	120.100	0.000	0.36
Merthyr Tydfil	0.199	4.975			
Bridgend	0.699	17.471	27.270	0.000	0.15
Rhondda Cynon Taf	0.753	18.816	9.830	8.986	0
Vale of Glamorgan	0.672	16.806	18.730	0.000	13
Caerphilly	0.535	13.371	31.280	0.000	5.21
Cardiff	1.383	34.578	27.800	6.778	0
Blaenau Gwent	0.201	5.027	1.320	3.707	0
Monmouthshire	0.235	5.866	11.250	0.000	0
Newport	0.434	10.854	0.000	10.854	0
Torfaen	0.258	6.441	0.000	6.441	0
Sub-totals, South Wales	12.177	304.415	495.66	46.043	32.54
TOTALS Wales	18.871	471.781	670.850	81.971	34.20

SOURCE: Table 5.7 of the main document

Where allocation requirements are shown these are the minimum amounts required to meet the RTS requirements. In many cases an application for an individual new permission will exceed these amounts, in the interests of economic viability. Such applications should not be rejected purely on the grounds of exceeding the minimum requirements shown here. In some cases, the suggested allocations may already have been partially or entirely fulfilled, either by new permissions granted since 2016, or by allocations that have already been identified in LDPs. See following text for details.

- B80. As explained more fully in the main document, the figures for each authority are based on the assumptions that future aggregate requirements will increase in future years to reflect the increased planned requirements for house construction, and that supplies of alternative aggregates, from marine, secondary and recycled sources, will continue to be maintained in proportions comparable to those experienced during the baseline period (2007 to 2016).
- B81. The validity of these assumptions will continue to need to be monitored by the planning authority, using information from various data sources and new surveys (e.g. by Welsh Government, NRW, and the Mineral Products Association) and that data will be used to inform a revision of the apportionment requirements, if this is needed, as part of the next review of the RTS.
- B82. It should be emphasised that the annualised apportionment figures are given only as a guide to the calculation of the total apportionment required over the duration of the LDP. In practice, sales

will vary from year to year and there is no requirement for an LPA to maintain or limit those sales in line with the annualised apportionments.

- B83. The need for provision to extend beyond the Plan period is based on the requirement in MTAN1 for maintaining landbanks of 7 years for sand & gravel and 10 years for crushed rock, throughout the full duration of the LDP. Subject to this requirement being met, the overall provision at any given time may comprise both landbanks of permitted reserves and allocations for future working, where these are required.
- B84. In all cases, the recommendations are based on currently available information regarding reserves, production, proximity and environmental capacity. As noted in 'Box 1' of the original RTS documents, the suggested apportionments and allocations may not take fully into account all factors that may be material to the ensuring an adequate supply of aggregates obtained from appropriately located sources. Such factors may include such things as:
- The technical capability of one type of aggregate to interchange for another;
 - The relative environmental cost of substitution of one type of aggregate by another;
 - The relative environmental effects of changing patterns of supply; and
 - Whether adequate production capacity can be maintained to meet the required level of supply.
- B85. For such reasons, and as already noted in Chapter 1 of the main document, *in exceptional circumstances*, and where it is justified by new (e.g. more up to date, more detailed or more precise) evidence, it is open for individual LPAs to depart from the apportionment and allocation figures recommended by the RTS when preparing their LDP policies. In doing so, however, 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 within the same sub-region to ensure that sub-regional and regional totals are still achieved) and this would need to be reflected in the Statement of Sub-Regional Collaboration (SSRC) agreed with all other constituent LPAs within that sub-region, prior to Examination. Any shared arrangements that may be agreed between individual LPAs would need to offer advantages, in terms of the proximity principle, environmental capacity and other sustainable criteria, compared with the basic RTS recommendations. Guidelines relating to the preparation of SSRCs, including details of the circumstances under which departures from RTS recommendations may be made, are provided at Annex A of the Main Document.
- B86. As noted in MTAN 1, paragraph A3: If the local authorities reach no agreement or if individual local authorities do not accept the Regional Technical Statement, the Welsh Assembly Government will consider its default powers to intervene in the planning process as a last resort.

BLAENAU GWENT

Apportionment for the future provision of land-won primary aggregates

The planning authority is required to make future provision for land-won primary aggregates within its Local Development Plan on the basis of the following annualised apportionments:

- Land-won sand & gravel provision: Nil
- Crushed rock aggregates provision: **0.201 million tonnes per year** until the end of the Plan period and for 10 years thereafter.

Comparison with existing landbanks

The total apportionments for Blaenau Gwent, as calculated in Tables 5.5 and 5.7 of the main document, are zero for land-won sand & gravel and 5.027 million tonnes for crushed rock, over 25 years. These compare with existing landbanks of zero for sand & gravel and 1.32 million tonnes for crushed rock (as at 31st December 2016).

Allocations required to be identified in the Local Development Plan

In order to address the resulting crushed rock shortfall, new allocations totalling at least 3.707 million tonnes will need to be identified within the LDP. The main requirement (as in both previous editions of the RTS) is to supplement the existing reserves of Carboniferous Limestone. A Preferred Area for this has already been identified within the adopted LDP but, as the landbank is substantially less than the minimum requirement of 10 years, there is now an urgent requirement for new permitted reserves.

The area also has substantial resources of HSA sandstone which, though not urgently required, would be beneficial in terms of helping to shift the overall pattern of sandstone production further east, towards the principal markets in England. Again, a preferred area for this has been identified within the LDP, along with part of the former opencast site at Tir-Pentwys, where the spoil tips are identified in the LDP as a preferred area for secondary aggregate production. Working of those resources, however, would be dependent on access through the Torfaen part of the site, where a recent application has been dismissed on appeal, effectively rendering the resources unworkable unless and until an alternative means of access is agreed.

Consideration should also be given to whether any of the factors set out in paragraph B84 above give rise to any further requirements for resource allocations.

In view of the fact that the neighbouring authorities of Torfaen and Newport may have difficulty in meeting their own new apportionments, given the limited resources in those areas, Blaenau Gwent may *subject to the circumstances and considerations set out in Annex A of the RTS Main Document*, need to work in collaboration with those authorities, and with Monmouthshire, in order meet the combined requirements for the Former Gwent sub-region as a whole. Where different apportionments are agreed, these will need to be set out in a Statement of Sub-Regional Collaboration, produced in accordance with the guidance set out in Annex A, before any of the constituent LDPs are submitted for Examination.

Use of alternative aggregates

In the absence of any significant known land-based sand & gravel resources, Blaenau Gwent relies upon supplies of marine-dredged sand, imported via three wharves in Newport.

Secondary aggregates in the form of overburden material from former opencast coal workings have been identified as a Preferred Area at Tir Pentwys, straddling the border with neighbouring Torfaen. The exploitation of the material within Blaenau Gwent, however, is dependent on access through the Torfaen part of the site.

There is, however, likely to be continued recycled aggregate production within the area from construction, demolition and excavation wastes.

The residual requirements for primary land-won aggregates assume that all of these alternative materials will continue to be utilised and the authority should continue to encourage this.

Safeguarding of primary aggregate resources

Relevant resources of both crushed rock aggregates and land-based sand & gravel have been safeguarded within the LDP, in accordance with detailed advice based on the use of British Geological Survey mapping, prior to the publication of the BGS safeguarding maps.

Safeguarding of wharves and railheads

All existing and potential new railheads should be identified for safeguarding within the LDP, in order to provide a full range of sustainable transport options (whether or not they are currently utilised).

BRIDGEND

Apportionment for the future provision of land-won primary aggregates

The planning authority is required to make future provision for land-won primary aggregates within its Local Development Plan on the basis of the following annualised apportionments:

- Land-won sand & gravel provision: Nil
- Crushed rock aggregates provision: **0.699 million tonnes per year** until the end of the Plan period and for 10 years thereafter.

These figures exclude the provision of limestone for non-aggregate use (primarily for use in the steel industry within neighbouring Neath Port Talbot), for which separate consideration will need to be given in the LDP.

Comparison with existing landbanks

The total apportionments for Bridgend, as calculated in Tables 5.5 and 5.7 of the main document are zero for land-won sand & gravel and 17.471 million tonnes for crushed rock, over 25 years. These compare with existing landbanks (excluding dormant sites) of zero for sand & gravel and 27.27 million tonnes for crushed rock (as at 31st December 2016). These figures exclude limestone reserves which are allocated for non-aggregate use.

Allocations required to be identified in the Local Development Plan

In view of the surplus of existing permitted reserves for crushed rock, and the lack of sand & gravel production, no further allocations for future working are required to be identified within the LDP. However, consideration should be given to whether any of the factors set out in paragraph B84 above give rise to any other requirements for resource allocations.

Any allocations that may be required should, as far as possible, be identified as Specific Sites or, failing that, as Preferred Areas. If, as a last resort, it is only possible to identify broad Areas of Search, these should be sufficient to offer the potential of much greater quantities of reserves, in order to reflect the uncertainties involved.

Consideration is also needed regarding the extent to which some of the surplus of Carboniferous Limestone reserves in Bridgend might, *subject to the circumstances and considerations set out in Annex A of the RTS Main Document*, be needed to accommodate any increase in apportionment, to compensate for shortages of supply of such aggregate in neighbouring LPAs. If such arrangements are made, they would need to be confirmed within a Statement of Sub-Regional Collaboration, produced in accordance with the guidance set out in Annex A, before any of the constituent LDPs are submitted for Examination.

Treatment of Dormant sites

One dormant limestone quarry exists within Bridgend, as detailed in Table B5, above. The planning authority should assess the likelihood of this quarry being worked within the Plan period, subject to the completion of an initial review of planning conditions and submission of an Environmental Impact Assessment. If there is a likelihood of reactivation, and if the quarry is considered by the authority to conform to the definition of 'Specific Sites', as set out in paragraph 5.14.19 of Planning Policy Wales, it may be offset against any requirements that may otherwise be identified for allocations for future working.

Use of alternative aggregates

Bridgend is currently reliant, for supplies of sand, on marine-dredged material imported via wharves in neighbouring Neath Port Talbot (and perhaps Cardiff). This is despite the existence of limited potential land-based resources within its area, as indicated on BGS resource maps

and in reconnaissance-level mapping carried out for the Welsh Government by Symonds Group Ltd. in 2000.

There are no secondary aggregate sources of any significance within Bridgend, although steel/blast furnace slag may be delivered by road from Neath-Port Talbot.

In addition, construction, demolition and excavation wastes are generated and recycled at a number of points within the area.

The residual requirements for primary land-won aggregates assume that all of these alternative materials will continue to be utilised and the authority should continue to encourage this.

Safeguarding of primary aggregate resources

Resources of both crushed rock aggregates and land-based sand & gravel should be safeguarded within the LDP in accordance with the British Geological Survey's safeguarding maps, or such other geological information as may be available and suitable for this purpose.

Safeguarding of wharves and railheads

All existing and potential new railheads should be identified for safeguarding within the LDP, in order to provide a full range of sustainable transport options (whether or not they are currently utilised).

CAERPHILLY

Apportionment for the future provision of land-won primary aggregates

The planning authority is required to make future provision for land-won primary aggregates within its Local Development Plan on the basis of the following annualised apportionments:

- Land-won sand & gravel provision: Nil
- Crushed rock aggregates provision: **0.535 million tonnes per year** until the end of the Plan period and for 10 years thereafter.

Comparison with existing landbanks

The total apportionments for Caerphilly, as calculated in Tables 5.5 and 5.7 of the main document are zero for land-won sand & gravel and 13.371 million tonnes for crushed rock, over 25 years. These compare with existing landbanks (excluding dormant sites) of zero for sand & gravel and 31.28 million tonnes for crushed rock (as at 31st December 2016).

Allocations required to be identified in the Local Development Plan

In view of the surplus of existing permitted reserves for crushed rock, and the lack of sand & gravel production, no further allocations for future working are required to be identified within the LDP. However, consideration should be given to whether any of the other factors set out in paragraph B84 above give rise to any other requirements for resource allocations.

Any allocations that may be required should, as far as possible, be identified as Specific Sites or, failing that, as Preferred Areas. If, as a last resort, it is only possible to identify broad Areas of Search, these should be sufficient to offer the potential of much greater quantities of reserves, in order to reflect the uncertainties involved.

Consideration is also needed regarding the extent to which some of the surplus of crushed rock reserves in Caerphilly might, *subject to the circumstances and considerations set out in Annex A of the RTS Main Document*, be needed to accommodate any increase in apportionment to compensate for shortages of Carboniferous Limestone supply in neighbouring LPAs. If such arrangements are made, they would need to be confirmed within a Statement of Sub-Regional Collaboration, produced in accordance with the guidance set out in Annex A, before any of the constituent LDPs are submitted for Examination.

Treatment of Dormant sites

A total of three dormant quarries exist within Caerphilly, as detailed in Table B5, above. The planning authority should assess the likelihood of each of these sites being worked within the Plan period, subject to the completion of an initial review of planning conditions and submission of an Environmental Impact Assessment. Where there is a likelihood of reactivation, and where the site(s) in question are considered by the authority to conform to the definition of 'Specific Sites', as set out in paragraph 5.14.19 of Planning Policy Wales, they may be offset against any requirements that may otherwise be identified for allocations for future working.

Use of alternative aggregates

In the absence of any current land-based sand & gravel pits within Caerphilly or adjoining areas (despite the existence of potential land-based resources, as indicated on BGS resource maps), supplies of sand from marine-dredged sources are imported via the wharves in Newport and/or Cardiff. All of Caerphilly lies within 30 to 40 km of those wharves.

Substantial quantities of colliery spoil are understood to exist above Bedwas, Machen, and Llanbradach, but these are generally remote from transport links and therefore difficult to

utilise effectively. Moreover, as noted in the original RTS, previous efforts to obtain planning permission for the removal of tips in Machen have been refused.

Recycled aggregates from construction, demolition and excavation wastes are likely to be available within most of the major towns within the borough.

The residual requirements for primary land-won aggregates assume that all of these alternative materials will continue to be utilised and the authority should continue to encourage this.

Safeguarding of primary aggregate resources

Resources of both crushed rock aggregates and land-based sand & gravel should be safeguarded within the LDP in accordance with the British Geological Survey's safeguarding maps, or such other geological information as may be available and suitable for this purpose.

Safeguarding of wharves and railheads

All existing and potential new railheads should be identified for safeguarding within the LDP, in order to provide a full range of sustainable transport options (whether or not they are currently utilised).

CARDIFF**Apportionment for the future provision of land-won primary aggregates**

The planning authority is required to make future provision for land-won primary aggregates within its Local Development Plan on the basis of the following annualised apportionments:

- Land-won sand & gravel provision: Nil
- Crushed rock aggregates provision: **1.383 million tonnes per year** until the end of the Plan period and for 10 years thereafter.

Comparison with existing landbanks

The total apportionments for Cardiff, as calculated in Tables 5.5 and 5.7 of the main document, are zero for land-won sand & gravel and 34.578 million tonnes for crushed rock, over 25 years. These compare with existing landbanks of zero for sand & gravel and 27.8 million tonnes for crushed rock (as at 31st December 2016).

Allocations required to be identified in the Local Development Plan

In order to address the resulting crushed rock shortfall, new allocations totalling at least 6.778 million tonnes will need to be identified within the LDP. The requirement in this area is for Carboniferous Limestone. Consideration should also be given to whether any of the factors set out in paragraph B84 above give rise to any other requirements for resource allocations.

Any allocations that may be required should, as far as possible, be identified as Specific Sites or, failing that, as Preferred Areas. If, as a last resort, it is only possible to identify broad Areas of Search, these should be sufficient to offer the potential of much greater quantities of reserves, in order to reflect the uncertainties involved.

In the event that allocations (or new permissions) cannot be made to address the shortfall, and *subject to the circumstances and considerations set out in Annex A of the RTS Main Document*, consideration may need to be given to collaborative working with neighbouring LPAs within the same sub-region, such that some of the required provision (apportionment) is effectively transferred. If such arrangements are made, they would need to be confirmed within a Statement of Sub-Regional Collaboration, produced in accordance with the guidance set out in Annex A, before any of the constituent LDPs are submitted for Examination.

Use of alternative aggregates

Cardiff is reliant for its sand on marine-dredged aggregates from the Bristol Channel, imported via two wharves within Cardiff docks. Although potential land-based resources are indicated within its area, on BGS resource maps, most of these are sterilised by existing built development.

Some secondary aggregates are available, including steel slag from the electric arc furnace steelworks in Cardiff, but most arisings are fully utilised as they are produced, with relatively small stockpiles.

Construction, demolition and excavation wastes suitable for recycling as aggregate materials are likely to be extensive, amounting to a considerable proportion of the regional total.

The residual requirements for primary land-won aggregates assume that all of these alternative materials will continue to be utilised and the authority should continue to encourage this.

Safeguarding of primary aggregate resources

Resources of both crushed rock aggregates and land-based sand & gravel should be safeguarded within the LDP in accordance with the British Geological Survey's safeguarding maps, or such other geological information as may be available and suitable for this purpose.

Safeguarding of wharves and railheads

All existing and potential new wharves and railheads should be identified for safeguarding within the LDP, in order to provide a full range of sustainable transport options (whether or not they are currently utilised).

CARMARTHENSHIRE

Apportionment for the future provision of land-won primary aggregates

The planning authority is required to make future provision for land-won primary aggregates within its Local Development Plan on the basis of the following annualised apportionments:

- Land-won sand & gravel provision: **0.003 million tonnes per year** until the end of the Plan period and for 7 years thereafter.
- Crushed rock aggregates provision: **1.102 million tonnes per year** until the end of the Plan period and for 10 years thereafter.

Comparison with existing landbanks

The total apportionments for Carmarthenshire, as calculated in Tables 5.5 and 5.7 of the main document, over the 22-year horizon required for sand & gravel, and the 25-year timescale required for crushed rock, are 0.058 million tonnes for land-won sand & gravel and 27.556 million tonnes for crushed rock. These figures compare with existing landbanks (excluding dormant sites) of 0.1 million tonnes for sand & gravel and 59.9 million tonnes for crushed rock (as at 31st December 2016).

Allocations required to be identified in the Local Development Plan

In view of the slight surplus of existing permitted reserves of sand & gravel within Carmarthenshire, no allocations are specifically required to be identified in the LDP. However, some of the resources in Carmarthenshire lie in close proximity to the neighbouring authorities of Ceredigion, Pembrokeshire and the Pembrokeshire Coast National Park, where there is a need to find new sources of sand & gravel outside the National Park. Consideration is therefore also needed regarding the extent to which, *subject to the circumstances and considerations set out in Annex A of the RTS Main Document*, there may be a need to identify allocations to assist with the future provision of sand & gravel to those areas. This would necessitate a transfer of apportionments (for sand & gravel) between the authorities (but would not apply to the apportionment for crushed rock). If such arrangements are made, they would need to be confirmed within a Statement of Sub-Regional Collaboration, produced in accordance with the guidance set out in Annex A, before any of the constituent LDPs are submitted for Examination.

In view of the substantial surplus of existing crushed rock reserves, no crushed rock allocations are required to be made in the LDP. However, consideration should also be given to whether any of the factors set out in paragraph B84 above give rise to any other requirements for resource allocations.

Any allocations that may be required should, as far as possible, be identified as Specific Sites or, failing that, as Preferred Areas. If, as a last resort, it is only possible to identify broad Areas of Search, these should be sufficient to offer the potential of much greater quantities of reserves, in order to reflect the uncertainties involved.

Treatment of Dormant sites

A total of six dormant quarries exist within Carmarthenshire, as detailed in Table B5, above. The planning authority should assess the likelihood of each of these sites being worked within the Plan period, subject to the completion of an initial review of planning conditions and submission of an Environmental Impact Assessment. Where there is a likelihood of reactivation, and where the site(s) in question are considered by the authority to conform to the definition of 'Specific Sites', as set out in paragraph 5.14.19 of Planning Policy Wales, they may be offset against any requirements that may otherwise be identified for allocations for future working.

Use of alternative aggregates

Carmarthenshire is currently reliant upon supplies of sand from marine-dredged sources in the outer Bristol Channel, imported via Burry Port. This is despite the existence of potential land-based resources within its area, as indicated on BGS resource maps.

There are no known sources of secondary aggregates within the County.

Recycled aggregates are likely to be minimal over most of the County, and widely dispersed, although greater concentrations are likely to arise in the south east of the county, coincident with the redevelopment of former industrial areas.

The residual requirements for primary land-won aggregates assume that all of these alternative materials will continue to be utilised and the authority should continue to encourage this.

Safeguarding of primary aggregate resources

Resources of both crushed rock aggregates and land-based sand & gravel should be safeguarded within the LDP in accordance with the British Geological Survey's safeguarding maps, or such other geological information as may be available and suitable for this purpose.

Safeguarding of wharves and railheads

All existing and potential new wharves and railheads should be identified for safeguarding within the LDP, in order to provide a full range of sustainable transport options (whether or not they are currently utilised).

CEREDIGION

Apportionment for the future provision of land-won primary aggregates

The planning authority is required to make future provision for land-won primary aggregates within its Local Development Plan on the basis of the following annualised apportionments:

- Land-won sand & gravel provision: **0.188 million tonnes per year** until the end of the Plan period and for 7 years thereafter.
- Crushed rock aggregates provision: **0.272 million tonnes per year** until the end of the Plan period and for 10 years thereafter.

Comparison with existing landbanks

The total apportionments for Ceredigion, as calculated in Tables 5.5 and 5.7 of the main document, over the 22-year horizon required for sand & gravel, and the 25-year timescale required for crushed rock, are 4.136 million tonnes for land-won sand & gravel and 6.798 million tonnes for crushed rock. These figures compare with existing landbanks of 0.51 million tonnes for sand & gravel and 5.37 million tonnes for crushed rock (as at 31st December 2016).

Allocations required to be identified in the Local Development Plan

To address the sand & gravel shortfall, sand & gravel allocations totalling at least 3.626 million tonnes will need to be identified within the LDPs of this and/or neighbouring authorities of Pembrokeshire and Carmarthenshire. Existing specific site allocations of 1.8mt at Penparc and approximately 0.15mt at Pant Quarry can be deducted from this total, leaving a requirement of at least 1.676 million tonnes still to be identified.

Additional crushed rock allocations totalling at least 1.428 million tonnes will also need to be made. Consideration should also be given to whether any of the factors set out in paragraph B84 above give rise to any other requirements for resource allocations.

In practice, given the close proximity of Ceredigion to the neighbouring authorities of Pembrokeshire and the Pembrokeshire Coast National Park, where there is a need to find new sources of sand & gravel outside the National Park, Ceredigion should continue to work in collaboration with those authorities and, *subject to the circumstances and considerations set out in Annex A of the RTS Main Document*, may also need to collaborate with neighbouring Carmarthenshire. If necessary, Ceredigion may need to increase its share of the combined sub-regional apportionment for sand & gravel, compared with the figures given above. This does not apply to the apportionment for crushed rock. If such arrangements are made, they would need to be confirmed within a Statement of Sub-Regional Collaboration, produced in accordance with the guidance set out in Annex A, before any of the constituent LDPs are submitted for Examination.

Any new allocations that may be required should, as far as possible, be identified as Specific Sites or, failing that, as Preferred Areas. If, as a last resort, it is only possible to identify broad Areas of Search, these should be sufficient to offer the potential of much greater quantities of reserves, in order to reflect the uncertainties involved.

As noted in the main document, it may be better (in terms of deliverability) to rely on specific sites in neighbouring authorities (additional to the LPAs' own requirements), where these have been agreed through collaborative working, in preference to relying upon highly uncertain Areas of Search.

Use of alternative aggregates

As noted in the original RTS, Ceredigion is beyond the notional haulage limit for marine-dredged aggregate from the Bristol Channel. Although there had been some indications that southern Cardigan Bay could provide marine sand and gravel in future years, there has been

no further development of this, not least because of the high costs of infrastructure associated with setting this up as a new source of supply.

There are no sources of secondary aggregate within the area and recycled aggregate sources are both minimal and widely dispersed.

Safeguarding of primary aggregate resources

Resources of both crushed rock aggregates and land-based sand & gravel should be safeguarded within the LDP in accordance with the British Geological Survey's safeguarding maps, or such other geological information as may be available and suitable for this purpose.

Safeguarding of wharves and railheads

Ceredigion has no operational wharves but has a number of small working harbours. These, together with all existing railheads should be identified for safeguarding within the LDP, in order to provide a full range of sustainable transport options (whether or not they are currently utilised).

MERTHYR TYDFIL /BRECON BEACONS NATIONAL PARK**Apportionment for the future provision of land-won primary aggregates**

The two planning authorities are treated jointly in order to protect the commercial confidentiality of data for the small number of quarries involved, and because one of those quarries (Vaynor) straddles the boundary between the two authorities. Together, they are required to make future provision for land-won primary aggregates within their Local Development Plans on the basis of the following annualised apportionments:

- Land-won sand & gravel provision: Nil
- Crushed rock aggregates provision: 0.199 million tonnes per year within Merthyr Tydfil and 0.368 million tonnes per year within the National Park until the end of the Plan period and for 10 years thereafter.

The figures exclude the provision of limestone for non-aggregate use, for which separate consideration may need to be given in the LDPs.

Comparison with existing landbanks

The total apportionments for Merthyr Tydfil and the Brecon Beacons National Park, as calculated in Tables 5.5 and 5.7 of the main document are zero for land-won sand & gravel and 14.175 million tonnes for crushed rock, over 25 years (made up of 4.975 million tonnes in Merthyr Tydfil and 9.2 million tonnes in the National Park). These compare with existing landbanks (excluding dormant sites) of zero for sand & gravel and more than 120 million tonnes for crushed rock (as at 31st December 2016). These figures exclude any limestone reserves which are allocated for non-aggregate use.

Allocations required to be identified in the Local Development Plans

In view of the substantial surplus of existing permitted crushed rock reserves, and the lack of any sand & gravel extraction in either authority, no further allocations are required to be identified within either of the LDPs. However, consideration should be given to whether any of the factors set out in paragraph B84 above give rise to any other requirements for resource allocations. If any adjustments are made, they would need to be confirmed within a Statement of Sub-Regional Collaboration, produced in accordance with the guidance set out in Annex A of the RTS Main Document, before any of the constituent LDPs are submitted for Examination.

Any allocations that may be required should, as far as possible, be identified as Specific Sites or, failing that, as Preferred Areas. If, as a last resort, it is only possible to identify broad Areas of Search, these should be sufficient to offer the potential of much greater quantities of reserves, in order to reflect the uncertainties involved.

Paragraph 49 of MTAN 1 notes that landbanks are not required to be maintained within National Parks. For this reason, no allocations should be identified within the Brecon Beacons National Park, unless there are no environmentally acceptable alternatives and efforts should be made to gradually transfer production which currently takes place within the National Park to neighbouring authorities. Given that this production relates only to limestone and that it serves markets which, if not within the National Park, are largely (if not exclusively) to the south and west (mostly within the Cardiff City sub-region), it is logical that limestone quarries and resources in those areas should be the main focus of any substitution which can be achieved. This has been the intention of the present Review of the RTS and is the reason why the apportionments for the National Park have been reduced.

Treatment of Dormant and Suspended sites

One dormant sandstone quarry exists within the Brecon Beacons National Park, as detailed in Table B5, above. The planning authority should assess the likelihood of this site being worked within the Plan period, subject to the completion of an initial review of planning conditions and

submission of an Environmental Impact Assessment. Where there is a likelihood of reactivation, and if the site considered by the authority to conform to the definition of 'Specific Sites', as set out in paragraph 5.14.19 of Planning Policy Wales, the permitted reserves may be offset against any requirements that may otherwise be identified for allocations for future working.

Use of alternative aggregates

Some imports of sand from marine-dredged sources, imported primarily via wharves in Cardiff to the south, are likely to be utilised in the absence of any current land-based sand & gravel extraction. This is despite the existence of potential land-based resources within both Merthyr and the National Park, as indicated on BGS resource maps and in reconnaissance-level mapping carried out for the Welsh Government by Symonds Group Ltd. in 2000.

As noted within the original RTS, no significant amounts of secondary aggregate are present within Merthyr Tydfil, but volumes of construction, demolition and excavation wastes are likely to be widely available in the main valley areas.

The residual requirements for primary land-won aggregates assume that these alternative materials will continue to be utilised and the authority should continue to encourage this.

Within the National Park, there are very few ongoing mineral workings of any kind and therefore only limited, if any, sources of secondary aggregate. Similarly, there are likely to be only limited quantities of recycled material from local construction and demolition projects. Nevertheless, the National Park Authority should continue to promote the use of these materials where they are available.

Safeguarding of primary aggregate resources

Resources of both crushed rock aggregates and land-based sand & gravel should be safeguarded within the LDPs of both authorities, in accordance with the British Geological Survey's safeguarding maps, or such other geological information as may be available and suitable for this purpose.

Safeguarding of wharves and railheads

All existing and potential new railheads should be identified for safeguarding within both LDPs, in order to provide a full range of sustainable transport options (whether or not they are currently utilised).

MONMOUTHSHIRE

Apportionment for the future provision of land-won primary aggregates

The planning authority is required to make future provision for land-won primary aggregates within its Local Development Plan on the basis of the following annualised apportionments:

- Land-won sand & gravel provision: Nil
- Crushed rock aggregates provision: **0.235 million tonnes per year** until the end of the Plan period and for 10 years thereafter.

Comparison with existing landbanks

The total apportionments for Monmouthshire, as calculated in Tables 5.5 and 5.7 of the main document are zero for land-won sand & gravel and 5.866 million tonnes for crushed rock, over 25 years. These compare with existing landbanks (excluding dormant sites) of zero for sand & gravel and 11.25 million tonnes for crushed rock (as at 31st December 2016).

Allocations required to be identified in the Local Development Plan

In view of the surplus of existing permitted reserves for crushed rock, and the lack of sand & gravel production, no further allocations for future working are specifically required to be identified within the LDP. However, consideration should be given to whether any of the factors set out in paragraph B84 above give rise to any other requirements for resource allocations.

In view of the fact that the neighbouring authorities of Torfaen and Newport may have difficulty in meeting their own new apportionments, given the limited resources in those areas, Monmouthshire may, *subject to the circumstances and considerations set out in Annex A of the RTS Main Document*, need to work in collaboration with those authorities, and with Blaenau Gwent, in order to meet the combined requirements for the Former Gwent sub-region as a whole. As illustrated in Figure B11 above, Monmouthshire does have extensive unworked resources of Carboniferous Limestone, together with potential resources of sand & gravel along parts of the Usk Valley and elsewhere. Most of those resources, however, fall primarily within areas of relatively low environmental capacity and much of the limestone lies beneath the water table within a principal aquifer. Both of these factors would need to be taken into consideration.

Where different apportionments are agreed, these will need to be set out in a Statement of Sub-Regional Collaboration, produced in accordance with the guidance set out in Annex A, before any of the constituent LDPs are submitted for Examination.

Any allocations that may be required should, as far as possible, be identified as Specific Sites or, failing that, as Preferred Areas. If, as a last resort, it is only possible to identify broad Areas of Search, these should be sufficient to offer the potential of much greater quantities of reserves, in order to reflect the uncertainties involved.

Use of alternative aggregates

Marine sand from the Severn Estuary, including the Bedwin Sands, is landed at three wharves in neighbouring Newport. The whole of the county lies within a maximum radius 30 miles from one or more of these wharves and is reliant upon this material. This is despite the existence of extensive potential land-based resources, particularly within the Usk Valley, as indicated on BGS resource maps and in reconnaissance-level mapping carried out for the Welsh Government by Symonds Group Ltd. in 2000.

As noted in the original RTS, there are no significant sources of secondary aggregates in the area.

Recycled aggregates are likely to be available to a limited extent within some of the small rural towns but are these are widely dispersed within the predominantly rural area and are not thought likely to contribute significantly to the overall pattern of supply.

The residual requirements for primary land-won aggregates in Monmouthshire assume that all of these alternative materials will continue to be utilised and the authority should continue to encourage this.

Limestone and land won sand and gravel is also imported by road from England. These imports are less desirable in terms of the proximity principle, but are beyond the control of the local planning authority.

Safeguarding of primary aggregate resources

Relevant resources of both crushed rock aggregates and land-based sand & gravel have been safeguarded within the LDP, in accordance with detailed advice based on the use of British Geological Survey mapping, prior to the publication of the BGS safeguarding maps.

Safeguarding of wharves and railheads

All existing and potential new wharves and railheads should be identified for safeguarding within the LDP, in order to provide a full range of sustainable transport options (whether or not they are currently utilised).

NEATH PORT TALBOT

Apportionment for the future provision of land-won primary aggregates

The planning authority is required to make future provision for land-won primary aggregates within its Local Development Plan on the basis of the following annualised apportionments:

- Land-won sand & gravel provision: Nil
- Crushed rock aggregates provision: **0.305 million tonnes per year** until the end of the Plan period and for 10 years thereafter.

Comparison with existing landbanks

The total apportionments for Neath Port Talbot, as calculated in Tables 5.5 and 5.7 of the main document are zero for land-won sand & gravel and 7.636 million tonnes for crushed rock, over 25 years. These compare with existing landbanks of zero for sand & gravel and 16.48 million tonnes for crushed rock (as at 31st December 2016). These figures exclude any limestone reserves which are allocated for non-aggregate use.

Allocations required to be identified in the Local Development Plan

In view of the surplus of existing permitted crushed rock reserves, and the lack of sand & gravel production, no further allocations are required to be identified within the LDP. However, consideration should also be given to whether any of the factors set out in paragraph B84 above give rise to any other requirements for resource allocations.

It should be noted that the apportionment for Neath Port Talbot has been significantly reduced, compared with that given in previous RTS editions, with the deliberate intention of encouraging a more equitable pattern of supply, with future production of crushed rock being supplied from neighbouring Swansea as well as from NPT. In effect, part of Neath Port Talbot's apportionment (for HSA sandstone production) has been transferred to Swansea. In the event that new allocations (or permissions) cannot be made to address the shortfall, and *subject to the circumstances and considerations set out in Annex A of the RTS Main Document*, consideration may need to be given to collaborative working with neighbouring LPAs within the same sub-region, such that some or all of the transferred provision is reversed. Any revised arrangements that may be agreed between these authorities would need to be confirmed within a Statement of Sub-Regional Collaboration, produced in accordance with the guidance set out in Annex A, before any of the constituent LDPs are submitted for Examination.

Any allocations that may be required should, as far as possible, be identified as Specific Sites or, failing that, as Preferred Areas. If, as a last resort, it is only possible to identify broad Areas of Search, these should be sufficient to offer the potential of much greater quantities of reserves, in order to reflect the uncertainties involved.

Use of alternative aggregates

Neath Port Talbot is reliant, for its supplies of sand, on marine-dredged sources, imported via the three operational wharves at Briton Ferry and Giant's Wharf. This is despite the existence of limited potential land-based resources within its area, as indicated on BGS resource maps and in reconnaissance-level mapping carried out for the Welsh Government by Symonds Group Ltd. in 2000.

There are considerable secondary aggregate resources within Neath Port Talbot, primarily associated with the reprocessing of steel and blast furnace slag from the Port Talbot steelworks. Most of the slag is fully utilised, partially as construction aggregate and partly as a sustainable alternative to cement. Some of the secondary aggregate is transported by sea to Newport for processing and distribution. One of the largest construction and demolition waste recycling facilities in the region is based at Neath.

In addition, and in common with other MPAs within the South Wales coalfield, the overburden and 'waste' associated with opencast coal extraction includes some high PSV sandstone, but these are acknowledged as temporary 'windfalls' rather than permanent supply sources (and in any case are included in the figures for primary, rather than secondary aggregates). Future proposals for opencast coal extraction should, nevertheless, be encouraged to utilise such material in order to offset the need for additional allocations of sandstone (subject to there being satisfactory proposals relating to the restoration of these large-scale sites and to the stockpiling and distribution of the stone).

The residual requirements for primary land-won aggregates assume that all of these alternative materials will continue to be utilised and the authority should continue to encourage this.

Safeguarding of primary aggregate resources

Resources of both crushed rock aggregates and land-based sand & gravel should be safeguarded within the LDP in accordance with the British Geological Survey's safeguarding maps, or such other geological information as may be available and suitable for this purpose.

Safeguarding of wharves and railheads

All existing and potential new wharves and railheads should be identified for safeguarding within the LDP, in order to provide a full range of sustainable transport options (whether or not they are currently utilised).

NEWPORT

Apportionment for the future provision of land-won primary aggregates

The planning authority is required to make future provision for land-won primary aggregates within its Local Development Plan on the basis of the following annualised apportionments:

- Land-won sand & gravel provision: Nil
- Crushed rock aggregates provision: **0.434 million tonnes per year** until the end of the Plan period and for 10 years thereafter.

Comparison with existing landbanks

The total apportionments for Newport, as calculated in Tables 5.5 and 5.7 of the main document are zero for land-won sand & gravel and 10.854 million tonnes for crushed rock, over 25 years. The authority currently has zero existing landbanks of permitted reserves, both for sand & gravel and for crushed rock.

Allocations required to be identified in the Local Development Plan

In view of the lack of any existing permitted reserves within Newport, allocations totalling at least 10.854 million tonnes will need to be identified within the LDP. This contrasts with the zero allocation given in the First Review of the RTS but is less than the recommendations given in the original RTS which, purely on the basis of the 'per capita' approach, required Newport to assess the potential to make a resource allocation of 8 to 8.5 million tonnes over a 15-year period (equivalent to 13 to 14mt over 25 years). The requirement, based on the potential availability of resources within Newport (albeit that these are limited), is specifically for Carboniferous Limestone, although contributions from land won sand & gravel resources might be feasible.

Consideration should also be given to whether any of the factors set out in paragraph B84 above give rise to any other requirements for resource allocations.

Given the lack of existing operational sites within Newport, the authority will need to seek proposals for new working from industry. In the event that that allocations (or new permissions) cannot be made to address the shortfall then, *subject to the circumstances and considerations set out in Annex A of the RTS Main Document*, consideration may need to be given to collaborative working with neighbouring LPAs, such that some of the required provision (apportionment) is effectively transferred. If such arrangements are made, they would need to be confirmed within a Statement of Sub-Regional Collaboration, produced in accordance with the guidance set out in Annex A, before any of the constituent LDPs are submitted for Examination.

Any allocations that may be identified should, as far as possible, be Specific Sites or, failing that, Preferred Areas. If, as a last resort, it is only possible to identify broad Areas of Search, these should be sufficient to offer the potential of much greater quantities of reserves, in order to reflect the uncertainties involved.

Use of alternative aggregates

Newport is supplied with sand from marine-dredged sources within the Severn Estuary and the Bristol Channel, via up to three separate wharves within the city. This is despite the existence of limited potential land-based resources within its area, as indicated on BGS resource maps (most but not all of which are sterilised by existing built development).

The original RTS recommended that the feasibility of sea borne rock imports, via these wharves, should be explored. Discussions with the wharf operators in 2009 suggested that the scope for landing additional tonnages of crushed rock aggregate here is extremely limited (Cuesta Consulting Ltd., 2009). The operations are geared up for the landing and processing of marine-

dredged sand. Whilst it would be theoretically possible to land crushed rock, there is insufficient space for both operations to co-exist. In the absence of any current land-based sand & gravel operations in South East Wales, the marine sand is vital to the local construction industry and is therefore unlikely to be displaced by crushed rock imports.

In terms of secondary aggregates, the former Llanwern steelworks previously supplied aggregates derived from blast furnace slag on an ongoing basis, but this ceased when the blast furnace closed in July 2001. The same site continued to produce Basic Oxygen Steel (BOS) slag from the stockpiles of this material which have accumulated over many previous decades of steel production, but it is understood that this has now ceased.

The rail sidings at 'Monmouthshire Bank' in Newport were also previously utilised to process spent rail ballast for use as aggregate. However, in March 2009, aggregate production at this site ceased and Network Rail redistributed the remaining stocks to other sites, elsewhere. This site therefore no longer represents a source of supply for Newport.

Recycled aggregates, produced from construction, demolition and excavation wastes, are likely to continue to provide an important contribution to the overall supply pattern for construction aggregates within this predominately urban area.

The residual requirements for primary land-won aggregates assume that these various alternative materials will continue to be utilised and the authority should continue to encourage this.

Safeguarding of primary aggregate resources

Relevant resources of both crushed rock aggregates and land-based sand & gravel should be safeguarded within the LDP, in accordance with detailed advice based on the use of British Geological Survey mapping, prior to the publication of the BGS safeguarding maps.

Safeguarding of wharves and railheads

All existing and potential new wharves and railheads should be identified for safeguarding within the LDP, in order to provide a full range of sustainable transport options (whether or not they are currently utilised).

PEMBROKESHIRE

Apportionment for the future provision of land-won primary aggregates

The planning authority is required to make future provision for land-won primary aggregates within its Local Development Plan on the basis of the following annualised apportionments:

- Land-won sand & gravel provision: Nil.
- Crushed rock aggregates provision: **0.677 million tonnes per year** until the end of the Plan period and for 10 years thereafter.

Comparison with existing landbanks

The total apportionments for Pembrokeshire, as calculated in Tables 5.5 and 5.7 of the main document, over the 22-year horizon required for sand & gravel and the 25-year timescale required for crushed rock are zero for land-won sand & gravel and 16.932 million tonnes for crushed rock. These figures compare with existing landbanks (excluding dormant sites) of zero for sand & gravel and 16.72 million tonnes for crushed rock (as at 31st December 2016).

Allocations required to be identified in the Local Development Plan

Given that Pembrokeshire currently has no sand & gravel operations, and that its permitted reserves of crushed rock are very close to the total apportionment required, no allocations for either are specifically required to be identified within the LDP at this time. However, consideration should be given to whether any of the factors set out in paragraph B84 above give rise to any other requirements for resource allocations.

In practice, given the close proximity of Pembrokeshire to the Pembrokeshire Coast National Park, as well as to Ceredigion, and the need to find new sources of sand & gravel outside the National Park, Pembrokeshire should continue to work in collaboration with those authorities in order to support the wider objective of maintaining adequate supplies within the West Wales sub-region as a whole. *Subject to the circumstances and considerations set out in Annex A of the RTS Main Document*, it may also need to collaborate with neighbouring Carmarthenshire. If necessary, the authority may need to increase its share of the combined sub-regional apportionment for sand & gravel, compared with the figures given above and in those circumstances might well need to identify new allocations. This does not apply to the apportionment for crushed rock. If such arrangements are made, they would need to be confirmed within a Statement of Sub-Regional Collaboration, produced in accordance with the guidance set out in Annex A, before any of the constituent LDPs are submitted for Examination.

Where allocations are required these should, as far as possible, be identified as Specific Sites or, failing that, as Preferred Areas. If, as a last resort, it is only possible to identify broad Areas of Search, these should be sufficient to offer the potential of much greater quantities of reserves, in order to reflect the uncertainties involved.

Given the availability of unworked crushed rock and sand & gravel resources in Pembrokeshire, and the longer-term ambition to reduce quarrying activity within the National Park, there would be merit in identifying new Areas of Search (even if specific allocations are not required) in order to encourage future interest from mineral operators.

Treatment of Dormant sites

One dormant igneous rock quarry exists within Pembrokeshire, as detailed in Table B5, above. The planning authority should assess the likelihood of this site being worked within the Plan period, subject to the completion of an initial review of planning conditions and submission of an Environmental Impact Assessment. Where there is a likelihood of reactivation, and if the site is considered by the authority to conform to the definition of 'Specific Sites', as set out in paragraph 5.14.19 of Planning Policy Wales, the permitted reserves may be offset against any requirements that may otherwise be identified for allocations for future working.

Use of alternative aggregates

The whole of this area lies within a 30 mile radius of Pembroke Docks, where marine aggregates are landed from dredging in the outer Bristol Channel. The northern part of the area is in closer proximity to land-based sand & gravel sites within the National Park, located to the south-west of Cardigan. The possibility might need to be considered that, as the current permitted reserves at those sites are depleted, marine aggregates may need to provide a greater contribution in future years. For the time being, however, Pembrokeshire should retain a focus on maintaining adequate supplies from terrestrial sources, and all land-based options would need to be thoroughly tested by the Local Plan process before any consideration is given to such a shift in local policy. It should also be recognised that marine sand and gravel cannot always substitute for terrestrial materials in specific end uses.

Slate waste is produced in very small quantities in the northern part of the National Park although the extent to which this has hitherto been utilised as aggregate is understood to be minimal, and the prospects for future utilisation would seem to be equally limited.

Recycled aggregate production from construction, demolition and excavation wastes is likely to be concentrated within the various towns of southern and central Pembrokeshire, outside the National Park.

The residual requirements for primary land-won aggregates assume that all of these alternative materials will continue to be utilised and the authority should continue to encourage this.

Safeguarding of primary aggregate resources

Resources of both crushed rock aggregates and land-based sand & gravel should be safeguarded within the LDP in accordance with the British Geological Survey's safeguarding maps, or such other geological information as may be available and suitable for this purpose.

Safeguarding of wharves and railheads

All existing and potential new wharves and railheads should be identified for safeguarding within the LDP, in order to provide a full range of sustainable transport options (whether or not they are currently utilised).

PEMBROKESHIRE COAST NATIONAL PARK

Apportionment for the future provision of land-won primary aggregates

Pembrokeshire National Park Authority has been working in collaboration with its neighbouring authorities in West Wales since the previous RTS Review, with a view to reducing the future extent of working within the National Park. Whilst this is expected to continue, the National Park does have extant mineral permissions which make important contributions to the sub-regional supply pattern. The planning authority is therefore required to make future provision for land-won primary aggregates within its Local Development Plan on the basis of the following annualised apportionments:

- Land-won sand & gravel provision: **0.118 million tonnes per year** until the end of the Plan period and for 7 years thereafter.
- Crushed rock aggregates provision: **0.259 million tonnes per year** until the end of the Plan period and for 10 years thereafter.

Comparison with existing landbanks

The total apportionments for the Pembrokeshire National Park, as calculated in Tables 5.5 and 5.7 of the main document, over the 22-year horizon required for sand & gravel and the 25-year timescale required for crushed rock are 2.6 million tonnes for land-won sand & gravel and 6.470 million tonnes for crushed rock. These figures compare with existing landbanks (excluding dormant sites) of 2.6 million tonnes for sand & gravel and 10.37 million tonnes for crushed rock (as at 31st December 2016).

Allocations required to be identified in the Local Development Plan

In view of the surplus of existing permitted reserves for crushed rock and taking note of paragraph 49 of MTAN 1 regarding landbanks within National Parks, no further allocations are required to be identified within the LDP. However, consideration should be given to whether any of the factors set out in paragraph B84 above give rise to any other requirements for resource allocations.

In practice, given the close proximity of the National Park to both Pembrokeshire and Ceredigion, the authority should continue to work in collaboration with those authorities in order to support the wider objective of maintaining adequate supplies within the West Wales sub-region as a whole. In view of its status as a National Park, it may also need to collaborate with neighbouring Carmarthenshire, in terms of future sand & gravel provision. If changes to apportionments are needed, *subject to the circumstances and considerations set out in Annex A of the RTS Main Document*, they would need to be confirmed within a Statement of Sub-Regional Collaboration, produced in accordance with the guidance set out in Annex A, before any of the constituent LDPs are submitted for Examination.

Any allocations that may be required should, as far as possible, be identified as Specific Sites or, failing that, as Preferred Areas. If, as a last resort, it is only possible to identify broad Areas of Search, these should be sufficient to offer the potential of much greater quantities of reserves, in order to reflect the uncertainties involved.

Treatment of Dormant sites

One dormant igneous rock quarry exists within the National Park, as detailed in Table B5, above. The planning authority should assess the likelihood of this site being worked within the Plan period, subject to the completion of an initial review of planning conditions and submission of an Environmental Impact Assessment. Where there is a likelihood of reactivation, and where the site is considered by the authority to conform to the definition of 'Specific Sites', as set out in paragraph 5.14.19 of Planning Policy Wales, they may be offset against any requirements that may otherwise be identified for allocations for future working in neighbouring Pembrokeshire (outside the National Park).

Use of alternative aggregates

The whole of this area lies within a 30 mile radius of Pembroke Docks, where marine aggregates are landed from dredging in the outer Bristol Channel. The northern part of the area is in closer proximity to land-based sand & gravel sites within the National Park, located to the south-west of Cardigan. The possibility might need to be considered that, as the current permitted reserves at those sites are depleted, marine aggregates may need to provide a greater contribution in future years. For the time being, however, Pembrokeshire should retain a focus on maintaining adequate supplies from terrestrial sources, and all land-based options would need to be thoroughly tested by the Local Plan process before any consideration is given to such a shift in local policy. It should also be recognised that marine sand and gravel cannot always substitute for terrestrial materials in specific end uses.

Slate waste is produced in very small quantities in the northern part of the National Park although the extent to which this has hitherto been utilised as aggregate is understood to be minimal, and the prospects for future utilisation would seem to be equally limited.

Recycled aggregate production from construction, demolition and excavation wastes is likely to be concentrated within the various towns of southern and central Pembrokeshire, outside the National Park.

The residual requirements for primary land-won aggregates assume that all of these alternative materials will continue to be utilised and the authority should continue to encourage this.

Safeguarding of primary aggregate resources

Resources of both crushed rock aggregates and land-based sand & gravel should be safeguarded within the LDP in accordance with the British Geological Survey's safeguarding maps, or such other geological information as may be available and suitable for this purpose.

Safeguarding of wharves and railheads

All existing and potential new wharves and railheads should be identified for safeguarding within the LDP, in order to provide a full range of sustainable transport options (whether or not they are currently utilised).

POWYS

Apportionment for the future provision of land-won primary aggregates

The planning authority is required to make future provision for land-won primary aggregates within its Local Development Plan on the basis of the following annualised apportionments:

- Land-won sand & gravel provision: Nil
- Crushed rock aggregates provision: **3.519 million tonnes per year** until the end of the Plan period and for 10 years thereafter.

Comparison with existing landbanks

The total apportionments for Powys, as calculated in Tables 5.5 and 5.7 of the main document are zero for land-won sand & gravel and 87.981 million tonnes for crushed rock, over 25 years. These compare with existing landbanks (excluding dormant sites) of zero for sand & gravel and 139.24 million tonnes for crushed rock (as at 31st December 2016).

Allocations required to be identified in the Local Development Plan

In view of the large surplus of existing permitted crushed rock reserves, and the lack of sand & gravel production within Powys, no further allocations are required to be identified within the LDP. However, consideration should also be given to whether any of the factors set out in paragraph B84 above give rise to any other requirements for resource allocations.

Any allocations that may be required should, as far as possible, be identified as Specific Sites or, failing that, as Preferred Areas. If, as a last resort, it is only possible to identify broad Areas of Search, these should be sufficient to offer the potential of much greater quantities of reserves, in order to reflect the uncertainties involved.

Treatment of Dormant sites

One dormant igneous rock quarry and one suspended permission for sand & gravel extraction exist within Powys, as detailed in Table B5, above. The planning authority should assess the likelihood of each of these sites being worked within the Plan period, subject to the completion of an initial review of planning conditions and submission of an Environmental Impact Assessment. If there is a likelihood of reactivation, and if the site(s) in question are considered by the authority to conform to the definition of 'Specific Sites', as set out in paragraph 5.14.19 of Planning Policy Wales, they may be offset against any requirements that may otherwise be identified for allocations for future working.

Use of alternative aggregates

Powys is not thought to be a significant user of marine-dredged aggregates, in view of its considerable distance from relevant ports and wharves.

Sources of secondary aggregate within the County are thought to be scarce or absent and, in view of the remote and rural nature of much of the County, there is likely to be only a limited degree of recycled aggregate production from construction, demolition and excavation wastes.

Nevertheless, the residual requirements for primary land-won aggregates assume that alternative materials will continue to be utilised to at least the same extent as in the past, and the authority should continue to encourage this.

Safeguarding of primary aggregate resources

Resources of both crushed rock aggregates and land-based sand & gravel should be safeguarded within the LDP in accordance with the British Geological Survey's safeguarding maps, or such other geological information as may be available and suitable for this purpose.

Safeguarding of wharves and railheads

All existing and potential new railheads should be identified for safeguarding within the LDP, in order to provide a full range of sustainable transport options (whether or not they are currently utilised).

RHONDDA CYNON TAF

Apportionment for the future provision of land-won primary aggregates

The planning authority is required to make future provision for land-won primary aggregates within its Local Development Plan on the basis of the following annualised apportionments:

- Land-won sand & gravel provision: Nil
- Crushed rock aggregates provision: **0.753 million tonnes per year** until the end of the Plan period and for 10 years thereafter.

The figures exclude the provision of limestone for non-aggregate use, for which separate consideration may need to be given in the LDP.

Comparison with existing landbanks

The total apportionments for Rhondda Cynon Taf, as calculated in Tables 5.5 and 5.7 of the main document are zero for land-won sand & gravel and 18.816 million tonnes for crushed rock, over 25 years. These compare with existing landbanks of zero for sand & gravel and 9.83 million tonnes for crushed rock (as at 31st December 2016). These figures exclude any limestone reserves which are allocated for non-aggregate use.

Allocations required to be identified in the Local Development Plan

In view of the shortfall of existing crushed rock reserves within RCT, allocations totalling at least 8.986 million tonnes are required to be identified within the LDP. There is already a preferred area for the extension of Craig-yr-Hesg Quarry, amounting to approximately 10 million tonnes. An application to develop that extension was refused in 2019, against officer advice, but may be appealed. That, however, is specifically for HSA Sandstone resources, which would not be able to substitute for any shortage of Carboniferous Limestone. Additional allocations may therefore be required to address this and other factors set out in paragraph B84 above.

In the event that allocations (or new permissions) cannot be made to address the shortfall, consideration may, *subject to the circumstances and considerations set out in Annex A of the RTS Main Document*, need to be given to collaborative working with neighbouring LPAs within the same sub-region, such that some of the required provision (apportionment) is effectively transferred. If such arrangements are made, they would need to be confirmed within a Statement of Sub-Regional Collaboration, produced in accordance with the guidance set out in Annex A, before any of the constituent LDPs are submitted for Examination.

Any additional allocations should, as far as possible, be identified as Specific Sites or, failing that, as Preferred Areas. If, as a last resort, it is only possible to identify broad Areas of Search, these should be sufficient to offer the potential of much greater quantities of reserves, in order to reflect the uncertainties involved.

Use of alternative aggregates

As with all other parts of south-east Wales, Rhondda Cynon Taf relies, for its supplies of sand, on marine-dredged materials from the Bristol Channel. Although limited potential land-based resources within its area are indicated on BGS resource maps, most of these are sterilised by existing built development.

Considerable quantities of colliery spoil exist at Tower Colliery, Hirwaun, which closed (for a second time, following an earlier workers buy-out), in 2008. This material could potentially be used for low quality fill if there were large contracts nearby, but it would not meet normal aggregate specifications.

No significant amounts of other secondary aggregates are present within RCT but reasonable volumes of construction, demolition and excavation wastes are likely to be widely available for the production of recycled aggregates throughout most of the urbanised parts of the MPA.

In addition, and in common with other MPAs within the South Wales coalfield, the overburden and 'waste' associated with opencast coal extraction includes some high PSV sandstone, but these are acknowledged as temporary 'windfalls' rather than permanent supply sources (and in any case are included in the figures for primary, rather than secondary aggregates). Future proposals for opencast coal extraction should, nevertheless, be encouraged to utilise such material in order to offset the need for additional allocations of sandstone (subject to there being satisfactory proposals relating to the restoration of these large-scale sites and to the stockpiling and distribution of the stone).

The residual requirements for primary land-won aggregates assume that all of these alternative materials will continue to be utilised and the authority should continue to encourage this.

Safeguarding of primary aggregate resources

Resources of both crushed rock aggregates and land-based sand & gravel should be safeguarded within the LDP in accordance with the British Geological Survey's safeguarding maps, or such other geological information as may be available and suitable for this purpose.

Safeguarding of wharves and railheads

All existing and potential new railheads should be identified for safeguarding within the LDP, in order to provide a full range of sustainable transport options (whether or not they are currently utilised). In particular, as noted in the original RTS, opportunities for co-using rail facilities, (primarily established for opencast coal), for aggregates should be considered as they arise.

SWANSEA

Apportionment for the future provision of land-won primary aggregates

The planning authority is required to make future provision for land-won primary aggregates within its Local Development Plan on the basis of the following annualised apportionments:

- Land-won sand & gravel provision: Nil
- Crushed rock aggregates provision: **0.305 million tonnes per year** until the end of the Plan period and for 10 years thereafter.

Comparison with existing landbanks

The total apportionments for Swansea, as calculated in Tables 5.5 and 5.7 of the main document are zero for land-won sand & gravel and 7.636 million tonnes for crushed rock, over 25 years. The authority currently has zero existing landbanks of permitted reserves, both for sand & gravel and for crushed rock.

Allocations required to be identified in the Local Development Plan

In view of the lack of any existing permitted reserves within Swansea, allocations totalling at least 7.636 million tonnes will need to be identified within the LDP. This contrasts with the zero allocation given in the First Review of the RTS but is substantially less than the recommendations given in the original RTS which, purely on the basis of the 'per capita' approach, required Swansea to assess the potential to make a resource allocation of 13.1 to 13.9 million tonnes over a 15 year period (equivalent to 21.8 to 23.2 million tonnes over 25 years). The requirement, based on the potential availability of resources, and the concept of replacing some of the output from NPT, is specifically for Carboniferous HSA Sandstone.

Given the lack of existing operational sites within Swansea, the authority will need to seek proposals for new working from industry. In the event that allocations (or new permissions) cannot be made to address the shortfall, consideration may, *subject to the circumstances and considerations set out in Annex A of the RTS Main Document*, need to be given to collaborative working with neighbouring LPAs within the same sub-region, such that some of the required provision (apportionment) is effectively transferred. If such arrangements are made, they would need to be confirmed within a Statement of Sub-Regional Collaboration, produced in accordance with the guidance set out in Annex A, before any of the constituent LDPs are submitted for Examination.

Any allocations that may be required should, as far as possible, be identified as Specific Sites or, failing that, as Preferred Areas. If, as a last resort, it is only possible to identify broad Areas of Search, these should be sufficient to offer the potential of much greater quantities of reserves, in order to reflect the uncertainties involved.

Paragraph 49 of MTAN 1 notes that landbanks are not required to be maintained within Areas of Outstanding Natural Beauty. For this reason, no allocations should be identified within the Gower AONB.

Use of alternative aggregates

Swansea imports all of its sand from marine-dredged sources in the Bristol Channel, via wharves in Swansea and in neighbouring Neath Port Talbot. This is despite the existence of potential land-based resources within its area, as indicated on both BGS resource maps and in reconnaissance-level mapping carried out for the Welsh Government by Symonds Group Ltd. in 2000.

Secondary aggregate is also imported (by road) from the Port Talbot steelworks, whilst recycled aggregates from construction, demolition and excavation wastes are likely to be in plentiful supply within the urban areas of Swansea itself.

The residual requirements for primary land-won aggregates assume that all of these alternative materials will continue to be utilised and the authority should continue to encourage this. It should also promote and facilitate the maximum use of locally-derived recycled aggregates in order to offset the transportation of both primary and secondary aggregates from other sources.

Safeguarding of primary aggregate resources

Resources of both crushed rock aggregates and land-based sand & gravel should be safeguarded within the LDP in accordance with the British Geological Survey's safeguarding maps, or such other geological information as may be available and suitable for this purpose.

Safeguarding of wharves and railheads

All existing and potential new wharves and railheads should be identified for safeguarding within the LDP, in order to provide a full range of sustainable transport options (whether or not they are currently utilised).

TORFAEN

Apportionment for the future provision of land-won primary aggregates

The planning authority is required to make future provision for land-won primary aggregates within its Local Development Plan on the basis of the following annualised apportionments:

- Land-won sand & gravel provision: Nil
- Crushed rock aggregates provision: **0.258 million tonnes per year** until the end of the Plan period and for 10 years thereafter.

Comparison with existing landbanks

The total apportionments for Torfaen, as calculated in Tables 5.5 and 5.7 of the main document are zero for land-won sand & gravel and 6.441 million tonnes for crushed rock, over 25 years. The authority currently has no existing landbanks of permitted reserves, either for sand & gravel or for crushed rock.

Allocations required to be identified in the Local Development Plan

In view of the lack of any existing permitted reserves within Torfaen, allocations totalling at least 6.441 million tonnes will need to be identified within the LDP. This contrasts with the zero allocation given in the First Review of the RTS but is less than the recommendations given in the original RTS which, purely on the basis of the 'per capita' approach, required Torfaen to assess the potential to make a resource allocation of 5.25 to 5.66 million tonnes over a 15-year period (equivalent to 8.75 to 9.3mt over 25 years). The requirement, based on the potential availability of resources, could be fulfilled either by HSA Sandstone and/or by Carboniferous Limestone, although contributions from land won sand & gravel resources might also be feasible.

The existing allocation for secondary aggregate extraction from the former opencast coal tip at Tir Pentwys was the subject of a recent planning application, dismissed on Appeal in August 2019. That decision, however, related to the impact of the proposed access route on an area of Ancient Woodland, and not to the principle of working the resources themselves, which therefore remain available subject to alternative access being agreed.

Consideration should also be given to whether any of the factors set out in paragraph B84 above give rise to any other requirements for resource allocations.

Given the lack of existing operational sites within Torfaen, the authority will need to seek proposals for new working from industry. In the event that allocations (or new permissions) cannot be made to address the shortfall, consideration may, *subject to the circumstances and considerations set out in Annex A of the RTS Main Document*, need to be given to collaborative working with neighbouring LPAs, such that some of the required provision (apportionment) is effectively transferred. If such arrangements are made, they would need to be confirmed within a Statement of Sub-Regional Collaboration, produced in accordance with the guidance set out in Annex A, before any of the constituent LDPs are submitted for Examination.

Any allocations that may be identified should, as far as possible, be Specific Sites or, failing that, Preferred Areas. If, as a last resort, it is only possible to identify broad Areas of Search, these should be sufficient to offer the potential of much greater quantities of reserves, in order to reflect the uncertainties involved.

Use of alternative aggregates

The whole of Torfaen is within a maximum distance of 17 miles (26km) of the marine aggregate wharves in Newport. As a consequence, the area is reliant on the supply of sand from marine-dredged sources. Limited potential land-based resources within its area are indicated on BGS resource maps, but most of these are either sterilised by existing built development and/or are unlikely to be commercially exploitable because of their limited extent.

Secondary aggregates in the form of overburden material from former opencast coal workings may be available for use as general fill and, in part, as a substitute for primary High Specification Aggregate. The main source, at Tir Pentwys, has been identified as a Preferred Area within the LDP.

Regeneration schemes in this area are likely to produce construction, demolition and excavation wastes which may be suitable for use as aggregates.

The residual requirements for primary land-won aggregates assume that all of these alternative materials will continue to be utilised and the authority should continue to encourage this. It should also promote and facilitate the maximum use of locally-derived recycled aggregates in order to offset the transportation of both primary and secondary aggregates from other sources.

Safeguarding of primary aggregate resources

Relevant resources of both crushed rock aggregates and land-based sand & gravel have been safeguarded within the LDP, in accordance with detailed advice based on the use of British Geological Survey mapping, prior to the publication of the BGS safeguarding maps.

Safeguarding of wharves and railheads

All existing and potential new railheads should be identified for safeguarding within the LDP, in order to provide a full range of sustainable transport options (whether or not they are currently utilised).

VALE OF GLAMORGAN

Apportionment for the future provision of land-won primary aggregates

The planning authority is required to make future provision for land-won primary aggregates within its Local Development Plan on the basis of the following annualised apportionments:

- Land-won sand & gravel provision: Nil
- Crushed rock aggregates provision: **0.672 million tonnes per year** until the end of the Plan period and for 10 years thereafter.

The figures exclude the provision of limestone for non-aggregate use, for which separate

Comparison with existing landbanks

The total apportionments for the Vale of Glamorgan, as calculated in Tables 5.5 and 5.7 of the main document are zero for land-won sand & gravel and 16.806 million tonnes for crushed rock, over 25 years. These compare with existing landbanks (excluding dormant sites) of zero for sand & gravel and 18.73 million tonnes for crushed rock (as at 31st December 2016), all of which relates to Carboniferous Limestone. However, these figures exclude limestone reserves which are allocated for non-aggregate use.

Allocations required to be identified in the Local Development Plan

In view of the slight surplus of existing permitted crushed rock reserves, and the lack of sand & gravel production within the Vale of Glamorgan, no further allocations are specifically required to be identified within the LDP. However, consideration should also be given to whether any of the factors set out in paragraph B84 above give rise to any other requirements for resource allocations.

If any adjustments are made, they would need to be confirmed within a Statement of Sub-Regional Collaboration, produced in accordance with the guidance set out in Annex A of the RTS Main Document, before any of the constituent LDPs are submitted for Examination.

Any allocations that may be required should, as far as possible, be identified as Specific Sites or, failing that, as Preferred Areas. If, as a last resort, it is only possible to identify broad Areas of Search, these should be sufficient to offer the potential of much greater quantities of reserves, in order to reflect the uncertainties involved.

Treatment of Dormant sites

A total of four dormant limestone quarries exist within the Vale of Glamorgan, as detailed in Table B5, above. The planning authority should assess the likelihood of each of these sites to be worked within the Plan period, subject to the completion of an initial review of planning conditions and submission of an Environmental Impact Assessment. Where there is a likelihood of reactivation, and where the site(s) in question are considered by the authority to conform to the definition of 'Specific Sites', as set out in paragraph 5.14.19 of Planning Policy Wales, they may be offset against any requirements that may otherwise be identified for allocations for future working.

Use of alternative aggregates

The Vale of Glamorgan is reliant upon supplies of sand from marine-dredged sources, despite the existence of limited potential land-based resources within its area, as indicated on BGS resource maps and in reconnaissance-level mapping carried out for the Welsh Government in 2000. Until 2005, marine aggregates were imported via Barry Docks but are now supplied from other wharves in neighbouring Cardiff.

There are also substantial resources of secondary aggregate in the form of pulverised fuel ash (pfa) and furnace bottom ash (fba) from the Aberthaw power station, although the quantities utilised for aggregate purposes remain small.

Equally, there is likely to be a modest level of recycled aggregate production from construction, demolition and excavation wastes, primarily in the vicinity of the main urban areas and industrial sites.

The residual requirements for primary land-won aggregates assume that all of these alternative materials will continue to be utilised and the authority should continue to encourage this.

Safeguarding of primary aggregate resources

Resources of both crushed rock aggregates and land-based sand & gravel should be safeguarded within the LDP in accordance with the British Geological Survey's safeguarding maps, or such other geological information as may be available and suitable for this purpose.

Safeguarding of wharves and railheads

All existing and potential new wharves and railheads should be identified for safeguarding within the LDP, in order to provide a full range of sustainable transport options (whether or not they are currently utilised).

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COUNCIL

18 NOVEMBER 2020

REPORT OF THE INTERIM CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

TREASURY MANAGEMENT – HALF YEAR REPORT 2020-21

1. Purpose of report

1.1 The purpose of this report is to:-

- comply with the requirement of the Chartered Institute of Public Finance and Accountancy's 'Treasury Management in the Public Services: Code of Practice' to produce interim Treasury Management Reports.
- report on the projected Treasury Management Indicators for 2020-21.
- provide an update on the proposed changes to the Treasury Management Strategy 2020-21 for approval.

2. Connection to corporate well-being objectives / other corporate priorities

2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:

- **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help deliver the Council's well-being objectives.

2.2 The Treasury Management Report is integral to the delivery of all of the Council's well-being objectives as the allocation of resources determines the extent to which the well-being objectives can be delivered.

3. Background

3.1 Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council is exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

3.2 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury

Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Council to approve a Treasury Management Strategy (TMS) before the start of each financial year. The CIPFA Code also requires the Council to set a number of Treasury Management Indicators, which are forward looking parameters and enable the Council to measure and manage its exposure to treasury management risks, and these are included throughout this report. In addition, the Welsh Government (WG) issued revised Guidance on Local Authority Investments in November 2019 that requires the Council to approve an Investment Strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the Welsh Government Guidance.

3.3 In 2017 CIPFA also published a new version of the Prudential Code for Capital Finance in Local Authorities (the Prudential Code). The updated Prudential Code includes a requirement for Local Authorities to provide a Capital Strategy, which is a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The definition of investments in the revised 2017 CIPFA Code now covers all the financial assets of the Council as well as other non-financial assets which the authority holds primarily for financial return. The Council's Capital Strategy 2020-21, complying with CIPFA's requirement includes the Prudential Indicators which in previous years were included in the TMS, along with details regarding the Council's non-treasury investments. The Capital Strategy and TMS should be read in conjunction with each other as they are interlinked as borrowing and investments are directly impacted upon by capital plans and were approved together by Council on 26 February 2020.

3.4 Following a recent re-tender exercise for the Council's treasury management advisors, Arlingclose were the successful tenderer and will continue to be the Council's advisors for the next 4 years. The services provided to the Council include:-

- advice and guidance on relevant policies, strategies and reports
- advice on investment decisions
- notification of credit ratings and changes
- other information on credit quality
- advice on debt management decisions
- accounting advice
- reports on treasury performance
- forecasts of interest rates
- training courses

4. Current Situation/Proposal

4.1 The Council has complied with its legislative and regulatory requirements during the first half of 2020-21. The TMS 2020-21 was reported to Council on 26 February 2020. In addition, a quarterly monitoring report was presented to Cabinet in July 2020.

- 4.2 A summary of the treasury management activities for the first half of 2020-21 is shown in table 1 in **Appendix A**. The Council has not taken long term borrowing since March 2012 and it is not expected that there will be a requirement for any new long term borrowing in 2020-21. Favourable cash flows have provided surplus funds for investment and the balance on investments at 30 September 2020 was £64.29 million with an average rate of interest of 0.24%. This is a significant reduction from the same time last year when the average rate was 0.85%, and shows the impact of the reductions in interest rates during March 2020.
- 4.3 Restructuring of the debt portfolio, and in particular the Lender Option Borrower Option (LOBO) loans has been previously considered. The LOBOs have two trigger points during the year at which point the lender may consider offering the Council the option to repay the loan without penalty. At the current interest rates the lender is not likely to exercise that option. Any renegotiation of the LOBO would result in a premium payable by the Council. At current rates the premium would far outweigh the savings achievable. The Council will continue to review its long term lending and would take the option to repay these loans at no cost if it has the opportunity to do so.
- 4.4 Table 4 in section 4 of **Appendix A** details the movement of the investments by counterparty types and shows the average balances, interest received, original duration and interest rates for the first half of 2020-21.
- 4.5 The TM Code requires the Council to set and report on a number of Treasury Management Indicators. The indicators either summarise the expected activity or introduce limits upon the activity. Details of the estimates for 2020-21 set out in the Council's TMS, against current projections, are shown in **Appendix A** and these show that the Council is operating in line with the approved limits.
- 4.6 The Council defines high credit quality as organisations and securities having a credit rating of A- or higher and **Appendix B** shows the equivalence table for credit ratings for Fitch, Moody's and Standard & Poor's and explains the different investment grades.
- 4.7 CIPFA's Code of Practice for Treasury Management requires all local authorities to conduct a mid-year review of its treasury management policies, practices and activities. The outcome of this review is that there are changes required to investment limits as below:
- increase the investment limit to Registered Providers from £3 million to £5 million. As the Council has had positive cash balances this will provide the Council with wider scope in making investments at a practical level (Table 6 of the TMS – Appendix C).
 - increase the total amount that can be invested in Money Market Funds (MMFs) from £20 million to £30 million. This is to enable the Council to increase the number of MMF's available to it thus assisting Treasury Management activities on a practical level, whilst also providing greater diversity of funds available to the Council (Table 9 of the TMS – Appendix C).

The proposed revised TMS is included at **Appendix C** and the proposed amendments highlighted in red. Both these amendments have been discussed with our Treasury Management Advisors.

5. Effect upon policy framework & procedure rules

5.1 As required by Financial Procedure Rule 20.3 within the Council's Constitution, all investments and borrowing transactions have been undertaken in accordance with the TMS 2020-21 as approved by Council with due regard to the requirements of the CIPFA's Code of Practice on Treasury Management in the Public Services.

6. Equality Impact Assessment

6.1 There are no equality implications.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of wellbeing goals/objectives as a result of this report.

8. Financial implications

8.1 The financial implications are reflected within the report.

9. Recommendations

9.1 It is recommended that Council:

- approve the Council's treasury management activities for 2020-21 for the period 1 April 2020 to 30 September 2020 and the projected Treasury Management Indicators for 2020-21.
- approve the proposed changes to the Treasury Management Strategy 2020-21.

Gill Lewis

Interim Chief Officer – Finance, Performance and Change

6 November 2020

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Background documents:

Capital Strategy 2020-21

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APPENDIX A

SUMMARY OF TREASURY MANAGEMENT ACTIVITIES 2020-21 1 APRIL TO 30 SEPTEMBER 2020

1. External Debt and Investment Position

On 30 September 2020, the Council held £96.87 million of external long term borrowing and £64.29 million of investments. The Council's external debt and investment position for 1 April to 30 September 2020 is shown below in Table 1; more detail is provided in section 3 - Borrowing Strategy and Outturn - and section 4 - Investment Strategy and Outturn:

Table 1: External debt and investment position 1 April 2020 to 30 September 2020

	Principal 01/04/2020 £m	Average Rate 01/04/2020 %	Principal 30/09/2020 £m	Average Rate 30/09/2020 %
External Long Term Borrowing:				
Public Works Loan Board	77.62	4.70	77.62	4.70
Lender's Option Borrower's Option	19.25	4.65	19.25	4.65
Total External Borrowing	96.87	4.69	96.87	4.69
Other Long Term Liabilities (LTL):				
Private Finance Initiative (PFI)*	16.30		15.94	
Other LTL	1.10		1.02	
Total Other Long Term Liabilities	17.40		16.96	
Total Gross External Debt	114.27		113.83	
Treasury Investments:				
Debt Management Office	37.00	0.06	15.20	0.01
Local Authorities	18.00	0.97	28.50	0.49
Banks	5.00	0.34	3.59	0.07
Building Societies	2.00	0.78	-	-
Money Market Fund***	-	-	17.00	0.07
Total Treasury Investments	62	0.37	64.29	0.24
Net Debt	52.27		49.54	

* (PFI) arrangement for the provision of a Secondary School in Maesteg 13.75 years remaining term

*** these funds provide instant access

Where a Council finances capital expenditure by debt, it must put aside revenue resources to repay that debt in later years and this amount charged to revenue is called the Minimum Revenue Provision (MRP). The Local Authority (Capital

Finance and Accounting) (Amendment) (Wales) Regulations 2008 requires the Council to produce and approve an annual Minimum Revenue Provision (MRP) Statement before the start of the financial year that details the methodology for the MRP charge and this is detailed in the Council's Capital Strategy. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. This strategy is prudent as investment returns are low and counterparty risk is relatively high. Whilst the CFR is forecast to remain static over this financial year at £171.78 million, going forward it is expected to increase due to the amount of prudential borrowing in the capital program in future years.

The liability benchmark measures the Council's projected net debt requirement plus a short term liquidity allowance in the form of minimum cash and investment balances. The purpose of the benchmark is to set the level of risk which the Council regards as its balanced or normal position. The forecast liability benchmark, or level of debt as at 31 March 2021 is £103.3 million, which is below the estimate within the TMS. The current level of long-term borrowing is £96.87 million, which is an under-borrowed position as the Council has available reserves it can use to fund capital expenditure in the short term. This is a prudent approach to managing its cash resources. Table 2 below has been produced using estimates of capital spend and forecasts on usable reserves for the current financial year. The Loans CFR ignores cash balances and may be too high if the authority benefits from long term positive cash flows which this Council does benefit from. The benchmark assumes that cash and investment balances are kept to a minimum level of £10 million at each year-end to maintain sufficient liquidity but minimise credit risk.

Table 2: Liability benchmark

	2019-20 Actual £m	2020-21 Estimate TMS £m	2020-21 Projection £m
Loans Capital Financing Requirement	157.0	157.4	157.0
Less: Usable reserves	(76.0)	(48.1)	(63.7)
Working capital	(7.0)	-	-
Plus: Minimum investments	10.0	10.0	10.0
Liability Benchmark	84.0	119.3	103.3

2. External Context

The interest rate views incorporated in the Council's TMS 2020-21 were based upon officers' views supported by a forecast from Arlingclose. When the TMS 2020-21 was prepared at the beginning of 2020, it was written on the basis of an orderly transition to a deep free trade agreement between the United Kingdom (UK) and the European Union. Consequently Arlingclose forecasted

that the Bank Rate would remain at 0.75% until the end of 2022, unless Brexit uncertainty dragged on or global growth failed to recover. To date no trade deal has been agreed and the transition period will end on 31 December 2020.

In addition to the Brexit uncertainty, at the start of the year nobody could have predicted the widespread Covid-19 pandemic, the prolonged period of lockdown across the UK or the devastating impact on the economy in general, UK finances and the Council's own budgets. The Bank Rate was reduced from 0.75% to 0.25% on 11 March 2020 and then lowered again to 0.1% on 19 March 2020. In May 2020 the Bank of England governor suggested that there is a risk that Britain's economy will take longer to recover from the impact of the coronavirus than originally anticipated. He said that the risks were undoubtedly to the downside for the economic recovery to be "longer and harder". He added "It is also possible that the pace at which activity recovers will be limited by continued caution among households and businesses even as official social distancing measures are relaxed". The Bank of England has stated that it is ready to provide further support for the economy and this includes cutting interest rates below zero, but this would need careful consideration. Arlingclose has indicated that any further reduction in the bank rate to zero, or a negative rate, will have an impact on money market and deposit account rates, money market fund returns and borrowing costs. The impact of the pandemic on the Council's financial position will be kept under continuous review during the financial year and any necessary changes reported at the earliest opportunity.

Since the outbreak of the Covid-19 pandemic, the UK and Welsh Governments have announced a wide range of financial support schemes to try and mitigate the impact on the economy, businesses and individuals. These include:

- Job Retention Scheme (furlough) (UK)
- Self Employed Income Support Scheme (UK)
- Business Rates Grants (WG)
- Small Charities Business Rates Grants (WG)
- Local Government Hardship Fund, including £67m for Adult Social Care, £51 million for free school meals and £10 million for homelessness, in addition to £198 million for lost income.
- Lockdown Grants (WG)
- Economic Resilience Fund (WG)

The local authority has administered a number of the Welsh Government Schemes which involved the payment of over 2,400 business and charity grants worth almost £30 million, as well as bearing the upfront costs of additional support required throughout the pandemic in advance of receiving WG funding. This has clearly had an impact on the Council's cash flow during the first quarter of the financial year and measures were put in place to manage the significant sums of money flowing into and out of the Council's bank account, including receiving earlier payments of Revenue Support Grant and interim business grant payments from Welsh Government, making short term deposits until funding is required and increasing our daily BACS limits to enable more payments to be processed quickly. As the year progresses more Welsh

Government grants are being announced and paid, so close management of the Council's cash flow is a priority.

3. Borrowing Strategy and Outturn for 1 April to 30 September 2020

At 30 September 2020, the Council held £96.87 million of long-term loans as part of its strategy for funding previous years' capital programmes. The TMS 2020-21 forecast that the Council would need to borrow £16 million in 2020-21. Currently it is forecast that the Council may need to borrow £2.45 million as a result of anticipated slippage of capital schemes following the Covid-19 pandemic. It is likely that this will reduce to zero should there be any further slippage of the Capital Programme in the remainder of the year. More detail on forecast capital spend is provided in the Capital Strategy 2020-21 which was approved by Council on 26 February 2020 and the Capital Monitoring report approved by Council on 21 October 2020.

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans, should the Council's long-term plans change, is a secondary objective. Therefore the major objectives to be followed in 2020-21 are:

- to minimise the revenue costs of debt
- to manage the Council's debt maturity profile i.e. to leave no one future year with a high level of repayments that could cause problems in re-borrowing
- to effect funding in any one year at the cheapest cost commensurate with future risk
- to monitor and review the level of variable interest rate loans in order to take greater advantage of interest rate movement
- to reschedule debt if appropriate, in order to take advantage of potential savings as interest rates change
- to optimise the use of all capital resources including borrowing, both supported and unsupported, usable capital receipts, revenue contributions to capital and grants and contributions

Given the impact of the Covid-19 pandemic on the economy and public finances in general, as well as on local government funding in particular, and the uncertainty going forward, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. The ever increasing uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy. With short-term interest rates currently much lower than long term rates, it is likely to be more cost effective in the short term to either use internal resources or take out short term loans instead.

The Council's primary objective for the management of its debt is to ensure its long term affordability. The majority of its loans have therefore been borrowed from the Public Works Loan Board (PWLB) at long term fixed rates of interest but we will also investigate other sources of finance, such as Welsh Government and local authority loans and bank loans that may be available at more favourable rates. Following the increase in the numbers of local authorities taking out PWLB loans to buy commercial properties for yield, the UK government undertook a consultation on the PWLB future lending terms. The outcome of this consultation may impact on future borrowing opportunities for the Council.

The last time the Council took out long term borrowing was £5 million from the PWLB in March 2012 and, as detailed above, the current forecast is that there will be no requirement for new long-term borrowing in 2020-21. The Council may take out short term loans (normally for up to one month) to cover unexpected cash flow shortages. Market conditions have meant that there has been no rescheduling of the Council's long term borrowing so far this year however, in conjunction with Arlingclose, the loan portfolio will continue to be reviewed for any potential savings as a result of any loan rescheduling.

The £19.25 million in table 1 above relates to Lender's Option Borrower's Option (LOBO) loans which have a maturity date of 2054, however these may be re-scheduled in advance of this maturity date. The LOBO rate and term may vary in the future depending upon the prevailing market rates, the lender exercising their option to increase rates at one of the bi-annual trigger points (the trigger dates being July and January) and therefore, the Council being given the option to accept the increase or to repay the loan without incurring a penalty. The lender did not exercise their option on 22 July 2020 and the next trigger point is 22 January 2021. The lender is unlikely to exercise their option in the current low interest rate environment, however, an element of refinancing risk remains. The Council would take the option to repay these loans at no cost if it has the opportunity to do so in the future. The current average interest rate for these LOBO's is 4.65% compared to the PWLB Loans average interest rate of 4.70%. The premiums payable to renegotiate the Council's Lender's Option Borrower's Option (LOBO) continues to be cost prohibitive.

The Treasury Management indicator shown in Table 3 below is for the Maturity Structure of Borrowing and is set for the forthcoming financial year to control the Council's exposure to refinancing risk with respect to the maturity of the Council's external borrowing, and has been set to allow for the possible restructuring of long term debt where this is expected to lead to an overall saving or reduction in risk. It is the amount of projected borrowing maturing in each period as a percentage of total projected borrowing. The upper and lower limits on the maturity structure of borrowing set out in the TMS 2020-21 and the projection for 2020-21 are:

Table 3: Treasury Management Indicator Maturity Structure of Borrowing 2020-21

Refinancing rate risk indicator Maturity structure of borrowing 2020-21	TMS 2020-21 Upper limit %	TMS 2020-21 Lower limit %	Projection 31-3-21 %
Under 12 months	50	-	19.87
12 months and within 24 months	25	-	-
24 months and within 5 years	25	-	9.59
5 years and within 10 years	40	-	16.33
10 years and within 20 years	50	-	11.48
20 years and above	60	25	42.73

The 19.87% shown in Table 3 above relates to the £19.25 million LOBO loans which may be re-scheduled in advance of their maturity date of 2054, as detailed in the paragraph above. The CIPFA Code requires the maturity of LOBO loans to be shown as the earliest date on which the lender can require payment, i.e. the option/call dates in 2020-21, so the maturity date is actually uncertain but is shown in the “Under 12 months” category as per the Code.

4. Investment Strategy and Outturn 1 April to 30 September 2020

Both the CIPFA Code and the WG Guidance require the Council to invest its funds prudently and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council’s objective when investing money is to strike an appropriate balance between risk and return, balancing the risk of incurring losses from defaults against receiving unsuitably low investment income.

The major objectives during 2020-21 were:-

To maintain capital **security**

To maintain **liquidity** so funds are available when expenditure is needed

To achieve the **yield** on investments commensurate with the proper levels of security and liquidity

The Annual Investment Strategy incorporated in the Council’s TMS 2020-21 includes the credit ratings defined for each category of investments and the liquidity of investments. The Council’s investments have historically been placed in mainly short term bank and building society unsecured deposits and local and central government. However, investments may be made with any public or private sector organisations that meet the minimum credit criteria and investment limits specified in the Investment Strategy. The majority of the Council’s surplus cash is currently invested in Money Market Funds and with other local authorities but the Council will continue to look at investment options in line with the limits detailed in the Investment Strategy. In the last 6 months Arlingclose has been constantly stress testing the financial institutions on its recommended counterparty list during the pandemic and, as a result, has

removed a number from its recommended list for unsecured deposits and revised the credit rating, outlook and recommended deposit period for a number of others. This reflects the revised likely credit worthiness of the institutions from the economic and financial market implications of coronavirus. The Council takes into account updated advice from its advisors before making any investment decisions.

The Council holds surplus funds representing income received in advance of expenditure plus balances and reserves and as shown in Table 1 above, the balance on investments at 30 September 2020 was £64.29 million. Table 4 below details these investments by counterparty type. The average investment rate in the period 1 April to 30 September 2020 was 0.33% (Table 4) and was 0.24% at 30 September 2020 (Table 1 – Total treasury investments). On 25th September the rates on Government Debt Management Office (DMO) deposits up to 2 weeks dropped below zero percent to -0.03%, 0% for 3-week deposits and 0.01% for maturities over 3 months. As a result of the pandemic there is potential for future average returns to reduce further.

Table 4: Investments Profile 1 April to 30 September 2020

Investment Counterparty Category	Balance 01 April 2020 (A) £m	Investments raised (B) £m	Investments Repaid (C) £m	Balance 30 September 2020 (A+B-C) £m	Investment income received** Apr-Sep 2020 £'000	Average original duration of the Investment Days	Weighted average investment balance Apr-Sept 2020 £m	Weighted average interest rate Apr-Sept 20 %
Government DMO	37.00	573.53	595.33	15.20	13.86	15	28.30	0.04
Local Authorities	18.00	33.50	23.00	28.50	113.48	291	28.07	0.73
Banks (Fixed Maturity)	2.00	2.00	2.00	2.00	13.08	123	2.00	0.49
Banks Instant Access/Notice Period Account*	3.00	8.63	10.04	1.59	-	-	3.55	0.05
Building Societies	2.00		2.00	-	-	182	0.33	0.78
Money Market Fund (Instant Access)*	-	17.00		17.00	11.20	-	13.26	0.20
Total/Average	62.00	634.66	632.37	64.29	151.62	153	75.51	0.33

The Treasury Management indicator shown below in Table 5 is for Principal Sums Invested for periods longer than a year. Where the Council invests, or plans to invest, for periods longer than a year, an upper limit is set for each forward financial year period for the maturing of such investments. The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of long term investments. The limit on the long term principal sum invested to final maturities beyond the period end are set out in the TMS 2020-21.

Table 5: Treasury Management Indicator Principal Sums Invested for periods longer than a year

Price risk indicator	TMS 2020-21 £m	Projection 31-3-21 £m
Limit on principal invested beyond financial year end	15	Nil

All investments longer than 365 days (non-specified) will be made with a cautious approach to cash flow requirements and advice from Arlingclose will be sought as necessary.

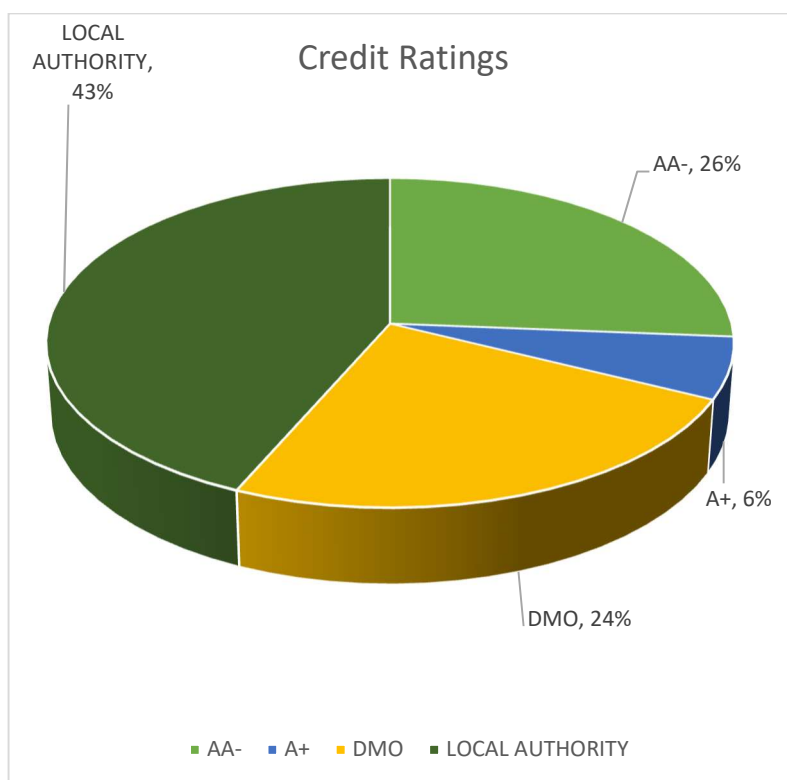
Two investments with Local Authorities whose original duration was 4 years are due to mature within the next 3 months and are therefore no longer classified as long-term. Therefore all investments at 30 September 2020 were short term deposits including Government Debt Management Office, Money Market Funds, Local Authorities, instant access and notice accounts. Table 6 below details these investments by counterparty type based on the remaining maturity period as at 30 September 2020:

Table 6: Investments Outstanding Maturity Profile 30 September 2020

Counterparty Category	Instant Access £m	Deposits Maturing Within 1 Month £m	Deposits Maturing Within 2-3 Months £m	Deposits Maturing Within 4-12 Months £m	Total £m
Government DMO		15.20			15.20
Local Authorities		5.00	18.50	5.00	28.50
Banks	1.59	2.00			3.59
Building Societies					0.00
Money Market Fund	17.00				17.00
Total	18.59	22.20	18.50	5.00	64.29

Investment decisions are made by reference to the lowest published long-term credit rating from a selection of external rating agencies to ensure that this lies within the Council's agreed minimum credit rating. Where available the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account. **Appendix B** shows the equivalence table for credit ratings for three of the main rating agencies Fitch, Moody's and Standard & Poor's and explains the different investment grades. The Council defines high credit quality as organisations and securities having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher.

The pie chart below summarises Table 6 by credit ratings and shows the £64.29 million investments at 30 September 2020 by percentage. Most Local Authorities do not have credit ratings and the £17 million invested with an AA-rated MMF was an approved counterparty by Arlingclose, whilst the remainder of the investments all had a credit rating of A or above.



5. Interest Rate Exposures – Borrowing and Investments

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council depending on how variable and fixed interest rates move across differing financial instrument periods. Short term and variable rate loans expose the Council to the risk of short term interest rate rises and are therefore subject to the Treasury Management indicator in Table 7 below to manage Interest Rate Exposures.

Table 7: Treasury Management Indicator Interest Rate Exposures

Interest rate risk indicator	Indicator £'000	As at 30-09-20 £'000
One year revenue impact of a 1% rise in interest rates	(264)	(427)
One year revenue impact of a 1% fall in interest rates	181	619

This has been set as an **indicator** (not a limit) to measure the net impact over one year on the revenue account of both a 1% rise and a 1% fall in all interest rates for borrowing net of treasury investments. This is calculated at a point in time on the assumption that maturing loans and investments will be replaced at rates 1% higher or lower than they would otherwise have been on their maturity dates and that the treasury investment and borrowing portfolios remain unchanged over the coming year. Interest rates can move by more than 1% over the course of a year, although such instances are rare.

The figures for the 1% fall in interest rates indicator are not the same figures as the 1% rise in interest rates (but reversed) as the borrowing relates to variable LOBO loans where it is assumed that the lender would not exercise their option if there was a fall in interest rates. All other borrowing does not have a rate reset in the next year and is with the PWLB at fixed rates

6. Review of the Treasury Management Strategy 2020-21

CIPFA's Code of Practice for Treasury Management requires all local authorities to conduct a review of its treasury management policies, practices and activities. As a result of the current economic climate and so as to provide greater flexibility with investments it is proposed to increase the Investment Limit for MMF's from £20 million to £30 million in total. In addition it is proposed to increase the approved investment counterparty limit for Registered Providers from £3 million to £5 million.

These changes can be seen in Appendix C and have been highlighted accordingly.

APPENDIX B

Credit Rating Equivalence Table

	Description	Fitch		Moody's		Standard & Poor's	
		Long	Short	Long	Short	Long	Short
INVESTMENT GRADE	Extremely strong	AAA		Aaa		AAA	
	Very strong	AA+	F1+	Aa1	P-1	AA+	A-1+
		AA		Aa2		AA	
		AA-		Aa3		AA-	
	Strong	A+	F1	A1	P-2	A+	A-1
		A		A2		A	
	Adequate	A-	F2	A3	P-3	A-	A-2
		BBB+		Baa1		BBB+	
		BBB		Baa2		BBB	
	SPECULATIVE GRADE	Speculative	BBB-	F3	Baa3	Not Prime (NP)	BBB-
BB+			Ba1		BB+		
BB			Ba2		BB		
Very speculative		BB-	B	Ba3	B		
		B+		B1			B+
		B		B2			B
Vulnerable		B-	C	B3	C		
		CCC+		Caa1			CCC+
		CCC		Caa2			CCC
		CCC-		Caa3			CCC-
	CC	Ca		CC			
Defaulting	C				C		
	D	D	C		D	D	

Standard & Poor's (S&P), Moody's and Fitch are the three most significant rating agencies in the world. These agencies rate the creditworthiness of countries and private enterprises.

"AAA" or "Aaa" is the highest rating across all three rating agencies and indicates the highest level of creditworthiness. A "D" rating ("C" rating from Moody's) indicates poor creditworthiness of a company or government. A difference is made between short-term and long-term ratings.

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Draft Amended Treasury Management Strategy 2020-21

Bridgend County Borough Council



1.0 INTRODUCTION

The Council carries out its treasury management activities in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) *Treasury Management in the Public Services: Code of Practice (2017) (the 'Code')*. These require the Council to set out the policies and objectives of its treasury management activities and to manage its treasury risks in accordance with the Code.

CIPFA has adopted the following as its definition of treasury management activities:

'The management of the organisation's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'

The definition of 'Investments' above includes:

- Treasury Management investments (held for the prudent management of financial affairs), and
- Non-Treasury Investments, undertaken as part of a Capital Strategy either in the course of provision of services; or made for commercial reasons purely to make a financial gain. These are managed outside of normal treasury management activity

In addition, the Welsh Government (WG) issued revised *Guidance on Local Authority Investments* in November 2019 that requires the Authority to approve an investment strategy before the start of each financial year. This Strategy fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the WG Guidance. In accordance with the WG Guidance Council would be asked to approve a revised Treasury Management Strategy (TMS) should the assumptions on which it is based change significantly. This might be for example a large unexpected change in interest rates, in the Council's Capital Programme, or in the level of its investment balance, or a material loss in the fair value of a non-financial investment identified as part of the year end accounts preparation and audit process, or a change in Accounting Standards.

Local authorities are required to separately approve a Capital Strategy for capital expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy includes the Prudential Indicators along with details regarding the Council's non-treasury investments. The CIPFA Code requires the Council to set a number of Treasury Management Indicators which are forward looking parameters and enable the Council to measure and manage its exposure to treasury management risks which are integral to the TMS. The Capital Strategy and TMS should be read in conjunction with each other as borrowing and investments are directly impacted upon by capital plans.

The Council has an integrated TMS where borrowing and investments are managed in accordance with best professional practice, which is assessed either from internal expertise or consultation with our external advisers. The Council borrows money either to meet short term cash flow needs or to fund capital schemes approved within the

capital programme. Therefore any actual loans taken are not generally associated with particular items of expenditure or assets. The Council is exposed to financial risks including the potential loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's TMS. Should these change significantly, a revised TMS will be presented to Council for approval. A half year review of treasury management performance will also be presented to Council for approval as will an annual report for the financial year

The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet, and for the execution and administration of treasury management decisions to the Section 151 Officer, who will act in accordance with the organisation's strategy, Treasury Management Practices (TMP) and CIPFA's *Standard of Professional Practice on Treasury Management*. Quarterly reports will be presented to Cabinet. The Council nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies and regular reports will be presented to Audit Committee for their consideration.

2.0 ECONOMIC CONTEXT

Economic background: The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Council's TMS for 2020-21. The Bank of England maintained Bank Rates at 0.75% in December 2019 following a 7-2 vote by the Monetary Policy Committee (MPC). The Committee's latest projections for activity and inflation were set out in the November Monetary Policy Report and were based on the assumption of an orderly transition to a deep free trade agreement between the United Kingdom and the European Union. Despite keeping rates on hold, MPC members did confirm that if Brexit uncertainty drags on or global growth fails to recover, they are prepared to cut interest rates as required. Moreover, the downward revisions to some of the growth projections in the Monetary Policy Report suggest the Committee may now be less convinced of the need to increase rates even with a Brexit deal.

Credit outlook: Credit conditions for larger UK banks have remained relatively benign over the past year. The UK's departure from the European Union was delayed three times in 2019 and while there remains some concern over a global economic slowdown, this has yet to manifest in any credit issues for banks. Meanwhile, the post financial crises banking reform is now largely complete, with the new ringfenced banks embedded in the market.

Looking forward, the potential for a "no-deal" Brexit and/or a global recession remain the major risks facing banks and building societies in 2020-21 and a cautious approach to bank deposits remains advisable.

Interest rate forecast: The Council's treasury management advisor Arlingclose is forecasting that the Bank Rate will remain at 0.75% until the end of 2022. The risks to this forecast are deemed to be significantly weighted to the downside, particularly given the result of the general election, the need for greater clarity on Brexit and the continuing global economic slowdown. The Bank of England, having previously indicated interest rates may need to rise if a Brexit agreement was reached, stated in

its November Monetary Policy Report and its Bank Rate decision to hold rates that the MPC now believe this is less likely even in the event of a deal.

Gilt yields have risen but remain at low levels and only some very modest upward movement from current levels are expected based on Arlingclose's interest rate projections. The central case is for 10-year and 20-year gilt yields to rise to around 1.00% and 1.40% respectively over the time horizon, with broadly balanced risks to both the upside and downside. However, short-term volatility arising from both economic and political events over the period is a near certainty.

3.0 EXTERNAL DEBT AND INVESTMENT POSITION

On 31 December 2019, the Council held £96.87 million of borrowing and £38.95 million of investments. The external debt and investment position is shown in table 1 below and more detail is provided in sections 4.0 Borrowing Strategy and 5.0 Investment Strategy.

Table 1: Council's external debt and investment position as at 31 December 2019

	Principal as at 31 March 19 £m	Average Rate %
External Long Term Borrowing		
Public Works Loan Board	(77.62)	4.70
Lender's Option Borrower's Option	(19.25)	4.65
Total External Long Term Borrowing	(96.87)	4.69
Other Long Term Liabilities		
Private Finance Initiative*	(16.83)	
Llynfi Loan**	(2.25)	
Other Long Term Liabilities	(1.22)	
Total Other Long Term Liabilities	(20.30)	
Total Gross Debt	(117.17)	
Treasury Investments		
Banks	4.90	0.91
Building Societies	2.00	0.78
Local Authorities	22.50	0.91
Money Market Funds***	9.55	0.74
Total Treasury Investments	38.95	0.86
Net Debt	(78.22)	

* (PFI) arrangement for the provision of a Secondary School in Maesteg 14.25 years remaining term

** Loan from the Welsh Government Central Capital Retained Fund for regeneration works within the Llynfi Valley which has not yet commenced

***the funds provide instant access

Table 2 below shows forecast changes borrowing and investments and has been produced using estimates of capital spend and forecasts on useable reserves for the current financial year and the next three years. The Capital Plans highlight that the Loans CFR, which is the Council's need to borrow to fund capital expenditure, is increasing year on year due to additional prudential borrowing.

Table 2: Balance sheet summary and forecast

	31 March 19 Actual £m	31 March 20 Estimate £m	31 March 21 Estimate £m	31 March 22 Estimate £m	31 March 23 Estimate £m
Capital Financing Requirement	170.88	172.08	172.20	178.25	178.50
Less: Other Debt Liabilities	(16.31)	(15.57)	(14.77)	(13.90)	(12.97)
Loans Capital Financing Requirement	154.57	156.52	157.44	164.35	165.53
Less: External Borrowing	(96.87)	(96.87)	(103.09)	(105.39)	(105.39)
Internal Borrowing	57.70	59.65	54.35	58.96	60.14
Less: Usable Reserves	(76.70)	(70.54)	(48.13)	(38.37)	(36.69)
Less: Working Capital	(2.00)	-	-	-	-
Investments	21.00	10.00	10.00	10.00	10.00
New Borrowing - cumulative	0.00	0.00	16.22	30.59	33.45

*The accounting practice followed by the Council requires financial instruments in the accounts (debt and investments) to be measured in a method compliant with International Financial Reporting Standards (IFRS) so these figures will differ from other figures in the TMS which are based on the actual amounts borrowed and invested

Where a Council finances capital expenditure by borrowing it must put aside revenue resources to repay that debt in later years, known as 'Minimum Revenue Provision' or MRP. The *Local Authority (Capital Finance and Accounting) (Amendment) (Wales) Regulations 2008* requires the Council to produce and approve an Annual Minimum Revenue Provision (MRP) Statement before the start of the financial year that details the methodology for the charge as detailed in the Council's Capital Strategy. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. This strategy is prudent as investment returns are low and counterparty risk is relatively high. The Council is forecasting an increased CFR due to the level of prudential borrowing in the capital programme and the impact of the new MRP policy approved by Council in September 2018. Changes in the accounting treatment for leases under International Financial Reporting Standard (IFRS) 16 - will also have an impact and, once this impact is known, an updated TMS will be presented to Council for approval. As the implementation of the new Standard is for 2020-21, further work is needed before the changes are applied. This requires the Council to 'bring on' to the balance sheet a 'Right of Use Asset' and an equivalent liability, for any assets it leases or is presumed to lease through service contract arrangements

Liability benchmark: To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This forecasts the minimum amount of debt the Council could hold if its internal resources are used in lieu of external borrowing. This assumes the same forecasts as table 2 above, but that cash and investment balances are kept to a minimum level of £10 million at each year-end to maintain sufficient liquidity but minimise credit risk. CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 3 below shows that the Council complied with this in 2018-19 and expects to comply with this recommendation during 2019-20, 2020-21 and the following two years. More detail is provided in the Capital Strategy.

Table 3: Liability benchmark

	31 March 19 Actual £m	31 March 20 Estimate £m	31 March 21 Estimate £m	31 March 22 Estimate £m	31 March 23 Estimate £m
Loans Capital Financing Requirement	154.57	156.52	157.44	164.35	165.53
Less: Usable Reserves	(76.70)	(70.54)	(48.13)	(38.37)	(36.69)
Less: Working Capital	(2.00)	-	-	-	-
Plus: Minimum Investments	21.00	10.00	10.00	10.00	10.00
Liability Benchmark	96.87	95.98	119.31	135.97	138.84

4.0 BORROWING STRATEGY

The Council currently holds £96.87 million of loans as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 2 above shows that the Council will have to borrow over the next three years as detailed in table 4 below:

Table 4: New Borrowing

	31 March 19 Actual £m	31 March 20 Estimate £m	31 March 21 Estimate £m	31 March 22 Estimate £m	31 March 23 Estimate £m
New Borrowing	0.00	0.00	16.22	14.37	2.86

The Section 151 Officer will monitor and update the liability benchmark assumptions on an on-going basis and report any significant changes within the treasury management monitoring reports to Cabinet, Audit Committee and Council as appropriate. This could be as a result of changes in the level of useable reserves at year end, slippage within the Capital Programme or changes within the working capital assumptions.

The Council's **primary objective** when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Therefore the major **objectives** to be followed in 2020-21 are:

- to minimise the revenue costs of debt
- to manage the Council's debt maturity profile i.e. to leave no one future year with a high level of repayments that could cause problems in re-borrowing
- to effect funding in any one year at the cheapest cost commensurate with future risk
- to monitor and review the level of variable interest rate loans in order to take greater advantage of interest rate movement
- to reschedule debt if appropriate, in order to take advantage of potential savings as interest rates change

-
- to optimise the use of all capital resources including borrowing, both supported and unsupported, usable capital receipts, revenue contributions to capital and grants and contributions

Given the significant cuts to public expenditure in recent years and in particular to local government funding, the Council's **borrowing strategy** continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy. With short term interest rates currently much lower than long term rates, it is likely to be more cost effective in the short term to either use internal resources or borrow short term instead.

The Section 151 Officer will take the most appropriate form of borrowing depending on the prevailing interest rates at the time. However, with long term rates forecast to rise modestly in future years, any such short term savings will need to be balanced against the potential longer term costs. The Council's treasury management advisers will assist the Council with this 'cost of carry' and breakeven analysis. The last time the Council took long term borrowing was £5 million from the Public Works Loan Board (PWLB) in March 2012. As detailed above, it is anticipated that there will be a requirement for new long term borrowing in 2020-21, 2021-22 and 2022-23. It is anticipated that this would be from PWLB and for estimate purposes it has been assumed that this will be over 30 years.

Alternatively, the Council may arrange forward starting loans during 2020-21 where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. In addition, the Council may borrow short term (normally for up to one month) to cover unexpected cash flow shortages.

Sources of borrowing: The approved sources of long term and short term borrowing are:

- PWLB and any successor body
- any institution approved for investments (see Investment Strategy below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except the Council's Pension Fund)
- capital market bond investors
- special purpose companies created to enable local authority bond issues

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

The Council has previously raised the majority of its long-term borrowing from the PWLB, but the government increased PWLB rates by 1% in October 2019 making it now a more expensive option. The Council will look to borrow any long-term loans from other sources such as Welsh Government and local authority loans and bank loans, which may be available at more favourable rates. Alternatively the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

LOBOs: The £19.25 million shown in table 1 above, relates to Lender’s Option Borrower’s Option (LOBO) loans which have a maturity date of 2054, however these may be re-scheduled in advance of this maturity date. The LOBO rate and term may vary in the future depending upon the prevailing market rates, the lender exercising their option to increase rates at one of the bi-annual trigger points and therefore the Council being given the option to accept the increase or to repay the loan without incurring a penalty. There are two trigger points in 2020-21 and although the Council understands that the lender is unlikely to exercise this option in the current low interest rate environment, an element of refinancing risk remains and the Council would take the option to repay these loans at no cost if it has the opportunity to do so in the future.

Short term and variable rate loans: These loans expose the Council to the risk of short term interest rate rises should interest rates change.

Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some higher rate loans with new loans at lower interest rates, or repay loans without replacement, where this is expected to lead to an overall saving or reduction in risk.

Maturity structure of borrowing indicator: This indicator is set for the forthcoming financial year to control the Council’s exposure to refinancing risk with respect to the maturity of the Council’s external borrowing and has been set to allow for the possible restructuring of long term debt where this is expected to lead to an overall saving or reduction in risk. It is the amount of projected borrowing maturing in each period as a percentage of total projected borrowing. The upper and lower limits on the maturity structure of borrowing will be:

Table 5: Treasury Management Indicator Maturity Structure of Borrowing 2020-21

Refinancing rate risk indicator Maturity structure of borrowing 2020-21	Upper limit	lower limit
Under 12 months	50%	0%
12 months and within 24 months	25%	0%
24 months and within 5 years	25%	0%
5 years and within 10 years	40%	0%
10 years and within 20 years	50%	0%
20 years and above	60%	25%

5.0 INVESTMENT STRATEGY

The preparation each year of an Investment Strategy is central to the Welsh Government statutory guidance on Local Authority Investments. It encourages the formulation of policies for the prudent investment of the surplus funds that authorities hold on behalf of their communities. In addition, the need for the Strategy to be approved by full Council ensures that these policies are subject to the scrutiny of elected Members: this is particularly important as since 2004 central government no longer closely regulates local government investment.

The Council holds surplus funds representing income received in advance of expenditure plus balances and reserves and as shown in table 1 above in section 3, the balance at 31 December 2019 was £38.95 million. Investments are estimated to drop to between £10 and £20 million by 31 March 2020. As in previous years this is due partly to increased expenditure expected to be incurred in respect of the capital programme and the reduction in income collected from Council Tax in February and March 2020 as the majority of residents continue to pay Council Tax over 10 months rather than 12. Based on its cash flow forecasts, the Council anticipates its investment balances in 2020-21 to range between £10 million to £55 million with an average investment rate of between 0.75% to 1.00% depending on the Bank Rate and investment types, which will be reviewed at half year and reported to Council. The actual balance varies because of the cash flow during the year as to when income is received (such as specific grant income, housing benefits subsidy and Revenue Support Grant) and payments are made (such as salaries and wages, major capital expenditure and loan repayments).

The Council may also hold investment properties with a view to securing a financial return, such as rental income. The Council will consider such investment opportunities should they arise, in line with CIPFA Treasury Management in the Public Services Code of Practice. As at 31 December 2019, the Council owned £4.635 million of investment properties with an expected return of £0.478 million in 2020/21, representing a rate of return of 10.3%.

Both the CIPFA Code and the Welsh Government Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments while seeking the highest rate of return, or yield. The Council's main objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal to or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

The major **objectives** are:

- to maintain capital **security**
- to maintain portfolio **liquidity** so funds are available when expenditure is needed
- to achieve the **yield** on investments commensurate with the proper levels of security and liquidity

Negative interest rates: If the UK enters into a recession in 2020-21, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in some other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: The Council's investments have historically been placed in mainly short term bank and building society unsecured deposits and local and central government. However, investments may be made with any public or private sector organisations that meet the credit criteria detailed below. Given the increasing risk and very low returns from short-term unsecured bank investments, the Council will consider further diversifying into more secure and/or higher yielding asset classes during 2020-21 as appropriate in consultation with the Council's treasury management advisers. The majority of the Council's surplus cash is currently invested in Money Market Funds (MMF) and with other local authorities but the Council will continue to look at investment options in line with the limits detailed below.

With short term interest rates currently much lower than long-term rates, due consideration will also be given to using surplus funds to make early repayments of long term borrowing if appropriate options become available as referred to in section 4.0 Borrowing Strategy.

Business Models: Under the new IFRS 9, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore these investments will continue to be accounted for at amortised cost.

Approved counterparties: The Council may invest its surplus funds with any of the counterparty types shown in table 6 below, subject to the cash limits and the time limits shown. **These cash/time limits are per counterparty and relate to principal only and exclude any accrued interest.**

Table 6: Approved investment counterparties and limits

These limits must be read in conjunction with the notes immediately below the table. The combined secured and unsecured investments in any one bank must not exceed the cash limit for secured investments:

Credit Rating	Banks (including building societies) Unsecured	Banks (including building societies) Secured	Government	Corporates	Registered Providers
UK Central Government	n/a	n/a	£ Unlimited	n/a	n/a
			50 Years		
UK Local Authorities	n/a	n/a	£12,000,000	n/a	n/a
			10 Years		
AAA	£3,000,000	£6,000,000	£6,000,000	£3,000,000	£5,000,000
	5 Years	20 Years	50 Years	20 Years	20 Years
AA+	£3,000,000	£6,000,000	£6,000,000	£3,000,000	£5,000,000
	5 Years	10 Years	25 Years	10 Years	10 Years
AA	£3,000,000	£6,000,000	£6,000,000	£3,000,000	£5,000,000
	4 Years	5 Years	15 Years	5 Years	10 Years
AA-	£3,000,000	£6,000,000	£6,000,000	£3,000,000	£5,000,000
	3 Years	4 Years	10 Years	4 Years	10 Years
A+	£3,000,000	£6,000,000	£3,000,000	£3,000,000	£5,000,000
	2 Years	3 Years	5 Years	3 Years	5 Years
A	£3,000,000	£6,000,000	£3,000,000	£3,000,000	£5,000,000
	13 Months	2 Years	5 Years	2 Years	5 Years
A-	£3,000,000	£6,000,000	£3,000,000	£3,000,000	£5,000,000
	6 Months	13 Months	5 Years	13 Months	5 Years
None	£1,000,000	n/a	see above central government and local authority limit	n/a	£5,000,000
	6 Months				5 Years
Pooled Funds	£6,000,000 per fund				

Credit rating: Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies to ensure that this lies within our agreed minimum credit rating. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account. **Schedule A** shows the equivalence table for credit ratings for three of the main rating agencies Fitch, Moody's and Standard & Poor's and explains the different investment grades.

Banks unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. Where additional amounts received into our accounts with our own bankers are received too late in the day to make an investment the same day, the limit in table 6 will not apply as this does not count as an investment.

Banks secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made following an external credit assessment and consultation with the Council's treasury management advisers.

Registered providers: Loans and bonds issued by, guaranteed by, or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Welsh Government and as providers of public services, they retain the likelihood of receiving government support if needed.

Pooled funds: Shares or units in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period can be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. As these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Operational bank accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept to a minimum. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify the Council of changes as they occur.

Long-term ratings are expressed on a scale from AAA (the highest quality) through to D (indicating default). Ratings of BBB- and above are described as investment grade, while ratings of BB+ and below are described as speculative grade. The Council's credit rating criteria are set to ensure that it is very unlikely the Council will hold speculative grade investments, despite the possibility of repeated downgrades.

Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made
- any existing investments that can be recalled or sold at no cost will be
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations as happened in 2008 and 2011, it is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested

in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Specified investments: The *Welsh Government Statutory Guidance on Local Government Investments* defines specified investments as those:

- denominated in pound sterling
- due to be repaid within 12 months of arrangement
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government
 - a UK local authority
 - a town or community council or
 - body or investment scheme of “high credit quality”

The Council defines “**high credit quality**” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

Non-specified investments: Any investment that does not fall into the criteria detailed above under the Specified investments definition. The Council does not intend to make any investments denominated in foreign currencies nor any defined as capital expenditure. Non-specified investments will therefore be limited to:

- long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement
- investments with bodies and schemes not meeting the definition on high credit quality

The *Welsh Government Statutory Guidance on Local Government Investments* requires the Council’s Investment Strategy to set an overall limit for non-specified investments which is currently set at £20 million. Table 7 below shows the non-specified categories and the relevant limits and although the total of the individual limits exceed £20 million, at any one point in time a **maximum of £20 million** could be invested in these non-specified investments.

Table 7: Non-specified investment limits

	Category Cash limit
Total long-term investments	£15m
Total investments without credit ratings or rated below the Council’s definition of “high credit quality” (A-) (except the UK Government and UK local authorities)	£10m
Total investments (except pooled funds)with institutions domiciled in foreign countries with a sovereign rating below AA+	£3m
Total Non-Specified Investments Outstanding	£20m

Principal sums invested for periods longer than a year: All investments longer than 365 days (non-specified) will be made with a cautious approach to cash flow requirements and advice from the Council's treasury management advisers will be sought as necessary.

Where the Council invests, or plans to invest, for periods longer than a year, an upper limit is set for each forward financial year period for the maturing of such investments. The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of long term investments. The limits on the long term principal sum invested to final maturities beyond the period end will be as shown in table 8 below.

Table 8: Treasury Management Indicator Principal sums invested for periods longer than a year

Price risk indicator	2020-21 £m	2021-22 £m	2022-23 £m
Limit on principal invested beyond financial year end	15	10	8

Investment Limits: In addition to the above limits, the combined values of specified and non-specified investments with any one organisation are subject to the approved investment limits detailed in table 9 below.

Table 9: Investments limits

	Category Cash limit
Any single organisation, except the UK Central and Local Government	£6m
UK Central Government	unlimited
UK Local Authorities (per Authority)	£12m
Any group of organisations under the same ownership	£6m per group
Any group of pooled funds under the same management	£6m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£6m per country
Registered providers and registered social landlords	£5m in total
Unsecured investments with Building Societies	£6m in total
Money market funds (MMF)	£30m in total

A group of banks under the same ownership will be treated as a single organisation for limit purposes. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

The combined secured and unsecured investments in any one bank must not exceed the cash limit for secured investments.

Liquidity Management: The Council forecasts on a prudent basis the maximum period for which funds may be committed therefore minimising the risk of the Council

being forced to borrow on unfavourable terms to meet its financial commitments. A limit of £15 million (table 8 above) has been set for 2020-21 for long term investments and this has been set with reference to the Medium Term Financial Strategy and cash flow forecast as shown in the principal sums invested for periods longer than a year indicator in table 7 above. This represents just under 30% of the maximum amount of investments that the Council anticipates to have at any one point in time in 2020-21.

6.0 INTEREST RATE EXPOSURES BORROWING AND INVESTMENTS

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- borrowings at variable rates – the interest charged to revenue within the Comprehensive Income and Expenditure Statement will rise;
- borrowings at fixed rates – the fixed rate protects the Council from increased interest charges as an equivalent loan would now cost more. The fair value of the borrowing (liability) will fall;
- investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise;
- investments at fixed rates – the fixed rate prevents the Council from receiving higher investment income from the same principal invested. The fair value of the investment (asset) will fall.

An indicator has been set in table 10 below to measure the net impact over one year on the revenue account of both a 1% rise and a 1% fall in all interest rates for borrowing net of treasury investments. This is calculated on the assumption that maturing loans and investments will be replaced at rates 1% higher or lower than they would otherwise have been on their maturity dates and that the treasury investment and borrowing portfolios remain unchanged over the coming year. Interest rates can move by more than 1% over the course of a year, although such instances are rare.

Table 10: Treasury Management Indicator Interest Rate Exposures

Interest rate risk indicator	£'000
One year revenue impact of a 1% rise in interest rates	(264)
One year revenue impact of a 1% fall in interest rates	181

The figure for the 1% fall in interest rates indicator is not the same figure as the 1% increase (but reversed) as the borrowing relates to variable LOBO loans where it is assumed that the lender would not exercise their option if there was a fall in interest rates. All other borrowing does not have a rate reset in the next year and is with the PWLB at fixed rates.

7.0 PERFORMANCE INDICATORS

Performance indicators are set to assess the adequacy of the treasury function over the year. These are distinct historic indicators as opposed to the treasury management and prudential indicators which are predominantly forward looking.

One debt performance indicator is where the average portfolio rate of interest is compared to an appropriate average available such as the average PWLB Debt for Welsh and UK local authorities. The rate of return on investments can be monitored against the average rate of return on investments against the Bank Rate and the average rate of return on investments as compared to the average rate of Arlingclose's Welsh local authority clients at each relevant quarter/year-end.

8.0 NON-TREASURY INVESTMENTS

The Council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activities includes loans, investments in subsidiaries and investments in property. Welsh Government Guidance defines a loan as a written or oral agreement where the council temporarily transfers cash to a third party, joint venture, subsidiary or associate who agrees a return according to the terms and conditions of receiving the loan, except where the third party is another local authority. The council can demonstrate that its financial exposure to loans is proportionate by setting the limit as set out in table 11 below.

Table 11: Loan Limits

Loan limit	£'000
Limit on loans to third parties	1,000

A schedule of the Council's existing non-treasury investments (currently limited to owned property) is set out in table 12 below:

Table 12: Non-treasury investments

Non-treasury investments	Fair Value £'000
Bridgend Science Park - Units 1 & 2	3,200
Waterton Cross Land	600
Brynmenyn Industrial Estate Plot 53	220
Village Farm Plots 32,119 & 120	415
Tyrewise Bridgend	200
Total	4,635

The Council considers that the scale of its investment properties is proportionate to the resources of the Council, since such investment represents less than 1% of its total long term assets.

In accordance with Welsh Government Investment Guidance, these will be classified as non-treasury investments.

9.0 IFRS9 – LOCAL AUTHORITY OVERRIDE

The Welsh Government legislated in the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2020 for a statutory override for fair value gains and losses on most pooled investment funds not to be taken to revenue until 2023-24. The statutory override takes effect for the 2019/20 financial year. This has the effect of allowing any unrealised capital gains or losses arising from qualifying investments to be held on the balance sheet until 31 March 2023: this will enable Councils to initiate an orderly withdrawal of funds if required.

10.0 OTHER ITEMS

In line with the CIPFA Code and Welsh Government guidance the following also forms part of the Council's TMS.

Financial Derivatives: In the absence of any explicit legal power to do so, the Council will not use standalone financial derivatives such as swaps, forwards, futures and options. Derivatives embedded into loans and investments including pooled funds and forward starting transactions may be used and the risks they present will be managed in line with the overall treasury risk management strategy.

Markets in Financial Instruments Directive II (MIFID II): From January 2018, MIFID II changed the classification of local authority investors. It reclassified local and public authorities as retail investors. The Council has opted up to professional client status with its providers of financial services, including treasury management advisers, banks, building societies and brokers, allowing it access to a greater range of services but without the greater regulatory protection afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Section 151 Officer believed this to be the most appropriate status.

Investment training: The needs of the Council's treasury management staff for training in investment management are assessed every six months as part of the staff appraisal process and also if the responsibilities of individual members of staff change.

Training is received from the Council's treasury management advisers, CIPFA and other bodies in the form of training courses and seminars. The Council also supports personal development so individuals enhance their own knowledge through reading CIPFA guidance, publications and research on the internet.

Investment advisers: The Council appointed Arlingclose Limited as treasury management advisers following a tender exercise in August 2016. They were awarded a four year contract, to provide advice and information relating to its borrowing and investment activities and capital finance issues. The contract will be reviewed annually and either party may at any time terminate this agreement on 3 months prior written notice. The quality of this service is controlled by having regular meetings with the advisers and regularly reviewing the service provided. As the contract is due to end in

September 2020 a re-tendering exercise will be undertaken during the spring and early summer 2020.

Investment of money borrowed in advance of need: CIPFA's Prudential Code sets out that authorities should never borrow for the explicit purpose of making an investment return. Therefore borrowing in advance of need purely to profit from the investment of the extra sums borrowed is against the principles, however, the Council could potentially borrow in advance of need where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

As the Council has an integrated TMS, borrowing is not linked to the financing of specific items of expenditure. The Council's Capital Financing Requirement (CFR) as at 1 January 2020 was in excess of the actual debt of the Council as shown in table 2 above indicating there was no borrowing in advance of need. More detail is provided in the Prudential Indicators in the Council's Capital Strategy.

Schedule A

Credit Rating Equivalence Table

	Description	Fitch		Moody's		Standard & Poor's	
		Long	Short	Long	Short	Long	Short
INVESTMENT GRADE	Extremely strong	AAA		Aaa		AAA	
	Very strong	AA+	F1+	Aa1	P-1	AA+	A-1+
		AA		Aa2		AA	
		AA-		Aa3		AA-	
	Strong	A+	F1	A1	P-2	A+	A-1
		A		A2		A	
	Adequate	A-	F2	A3	P-3	A-	A-2
		BBB+		Baa1		BBB+	
		BBB		Baa2		BBB	
SPECULATIVE GRADE	Speculative	BBB-	F3	Baa3	Not Prime (NP)	BBB-	A-3
		BB+		Ba1		BB+	
		BB		Ba2		BB	
	Very speculative	BB-	B	Ba3		BB-	B
		B+		B1		B+	
	Vulnerable	B	C	B2		B	
		B-		B3		B-	
		CCC+		Caa1		CCC+	
		CCC		Caa2		CCC	
		CCC-		Caa3		CCC-	
Defaulting	CC	D	Ca	CC			
	C		C				
	D		C	D			

GLOSSARY

Annuity	A method of repaying a loan where the cash payment remains constant over the life of the loan, but the proportion of interest reduces and the proportion of principal repayment increases over time. Repayment mortgages and personal loans tend to be repaid by the annuity method.
Asset Management	The stewardship of capital assets, including decisions around on-going maintenance and eventual disposal
Authorised limit	The maximum amount of debt that a local authority may legally hold, set annually in advance by the Council itself. One of the <i>Prudential Indicators</i> .
BACS	Bankers' automated payment system. UK bulk payments system allowing transfers between bank accounts with two days' notice, for a small charge.
Bail-in	A method of rescuing a failing <i>financial institution</i> by cancelling some of its <i>deposits</i> and <i>bonds</i> . Investors may suffer a reduction in their investment, but may be given shares in the bank as part compensation.
Bail-out	A method of rescuing a failing <i>financial institution</i> by the injection of public money. This protects investors at the expense of taxpayers.
Bank	Regulated firm that provides financial services to customers.
Bank of England	The <i>central bank</i> of the UK, based in London, sometimes just called 'the bank'.
Bank Rate	The official interest rate set by the <i>Monetary Policy Committee</i> , and the rate of interest paid by the <i>Bank of England</i> on commercial bank deposits. Colloquially termed the 'base rate'.
Bond	A certificate of <i>long-term</i> debt issued by a company, government, or other institution, which is tradable on financial markets
Borrowing	Usually refers to the stock of outstanding loans owned and <i>bonds</i> issued.
Broker	Regulated firm that matches either borrowers and lenders (a money broker) or buyers and sellers of <i>securities</i> (a stockbroker) with each other in order to facilitate transactions
Brokerage	Fee charged by a <i>broker</i> , normally paid by the borrower
Building Society	A mutual organisation that performs similar functions to a <i>retail bank</i> but is owned by its customers
Capital	(1) Long-term, as in <i>capital expenditure</i> and <i>capital receipts</i> (2) <i>Principal</i> , as in <i>capital gain</i> and <i>capital value</i> (3) <i>Investments in financial institutions that will absorb losses before senior unsecured creditors</i>

Capital Expenditure	Expenditure on the acquisition, creation or enhancement of fixed asset that are expected to provide value for longer than one year, such as property and equipment, plus expenditure defined as capital in legislation such as the purchase of certain investments
Capital Finance	Arranging and managing the cash required to finance <i>capital expenditure</i> , and the associated accounting.
Capital Financing Requirement (CFR)	A local authority's underlying need to hold debt for capital purposes, representing the cumulative capital expenditure that has been incurred but not yet financed. The CFR increases with <i>capital expenditure</i> and decreases with <i>capital finance</i> and <i>MRP</i> .
Capital Receipt	Cash obtained from the sale of an item whose purchase would be <i>capital expenditure</i> . The law only allows local authorities to spend capital receipts on certain items, such as new capital expenditure. They are therefore held in a capital receipts reserve until spent.
Capital strategy	An annual policy document required by the <i>Prudential Code</i> that sets out a local authorities' high-level plans for capital expenditure, debt and investments and its <i>Prudential Indicators</i> for the forthcoming financial year.
CIPFA	The Chartered Institute of Public Finance and Accountancy – the professional body for accountants working in the public sector. CIPFA also sets various standards for local government – eg Treasury Management Code and Prudential Code
Cost of Carry	When a loan is borrowed in advance of need, the difference between the interest payable on the loan and the income earned from investing the cash in the interim
Counterparty	The other party to a loan, investment or other contract
Counterparty limit	The maximum amount an investor is willing to lend to a <i>counterparty</i> , in order to manage <i>credit risk</i> .
Credit rating	Formal opinion by a <i>credit rating agency</i> of a <i>counterparty's</i> future ability to meet its financial obligations. As it is only an opinion, there is no guarantee that a highly rated organisation will not default.
Credit rating agency	An organisation that publishes <i>credit ratings</i> . The three largest agencies are Fitch, Moody's and Standard & Poor's but there are many smaller ones.
Credit risk	The risk that a <i>counterparty</i> will <i>default</i> on its financial obligations.
Debt	(1) A contract where one party owes money to another party, such as a <i>loan</i> , <i>deposit</i> , or <i>bond</i> . (2) In the Prudential Code, the total outstanding borrowing plus other long-term liabilities

Default	Failure to meet an obligation under a debt contract, including the repayment of cash, usually as a result of being in financial difficulty
Deposit	A regulated placing of cash with a <i>financial institution</i> . Deposits are not tradable on financial markets.
DMO	Debt Management Office – an executive agency of HM Treasury that deals with central government’s debt and investments.
Fair value	<i>IFRS</i> term for the price that would be obtained by selling an investment, or paid to transfer debt, in a market transaction.
FCA	Financial Conduct Authority – UK agency responsible for regulating financial markets and the conduct of <i>financial institutions, brokers, custodians, fund managers</i> and <i>treasury management advisors</i> .
Financial institution	<i>A bank, building society or credit union</i> . Sometimes the term also includes insurance companies.
Financial instrument	<i>IFRS</i> term for investments, borrowing and other cash payable and receivable.
Financing costs	In the <i>Prudential Code</i> , interest payable on <i>debt</i> less investment income plus <i>premiums</i> less <i>discounts</i> plus <i>MRP</i> .
Forward deal	An arrangement where a loan or deposit is arranged in advance of the cash being transferred, with the advance period being longer than the standard period (if any) for such a transaction.
GDP	Gross domestic product – the value of the national aggregate production of goods and services in the economy. Increasing GDP is known as economic growth.
General Fund	A local authority reserve that holds the accumulated surplus or deficit on revenue income and expenditure, except on council housing.
Gilt	Bond issued by the UK Government, taking its name from the gilt-edged paper they were originally printed on.
IFRS	International Financial Reporting Standards, the set of accounting rules in use by UK local authorities since 2010.
Impairment	A reduction in the value of an investment caused by the counterparty being in financial difficulty.
Inflation risk	The risk that unexpected changes in inflation rates cause an unplanned loss, for example by costs rising faster than income.
Interest	Compensation for the use of cash paid by borrowers to lenders on debt instruments.
Interest rate risk	The risk that unexpected changes in interest rates cause an unplanned loss, for example by increased payments on borrowing or lower income on investments.

Internal borrowing	A local government term for when actual “external” debt is below the capital financing requirement, indicating that difference has been borrowed from internal resources instead; in reality this is not a form of borrowing.
Investment property	Land and buildings that are held purely for rental income and/or capital growth. Investment properties are not owner-occupied and provide no direct service benefit.
Investment strategy	A document required by investment guidance that sets out a local authority’s investment plans and parameters for the coming year. Sometimes forms part of the authority’s treasury management strategy.
Lease	A contract where one party permits another to make use of an asset in return for a series of payments. It is economically similar to buying the asset and borrowing a loan, and therefore leases are often counted as a type of debt.
Lessee	Party to a lease contract that uses an asset owned by the lessor.
Lessor	Party to a lease contract that own an asset but permits another (the lessee) to use it.
Liability benchmark	Term in CIPFA’s Risk Management Toolkit which refers to the minimum amount of borrowing required to keep investments at a minimum liquidity level. Used to compare against the actual and forecast level of borrowing.
LIBOR	London interbank offer rate - the benchmark interest rate at which banks offer to lend cash to other banks. Published every London working day at 11am for various currencies and terms. Due to be phased out by 2022.
Liquidity risk	The risk that cash will not be available to meet financial obligations, for example when investments cannot be recalled and new loans cannot be borrowed.
Loan	Contract where the lender provides a sum of money (the principal) to a borrower, who agrees to repay it in the future together with interest. Loans are not normally tradable on financial markets. There are specific definitions in government investment guidance.
Loans CFR	The capital financing requirement less the amount met by other long-term liabilities; i.e. the amount to be met by borrowing.
LOBO	Lender’s option borrower’s option – a long-term loan where the lender has the option to propose an increase in the interest rate on pre-determined dates. The borrower then has the option to either accept the new rate or repay the loan without penalty. LOBOs increase the borrower’s interest rate risk and the loan should therefore attract a lower rate of interest initially.
Long-term	Usually means longer than one year.

Market risk	The risk that movements in market variables will have an unexpected impact. Usually split into interest rate risk, price risk and foreign exchange risk.
Maturity	(1) The date when an investment or borrowing is scheduled to be repaid. (2) A type of loan where the principal is only repaid on the maturity date.
MiFID II	The second Markets in Financial Instruments Directive - a legislative framework instituted by the European Union to regulate financial markets in the bloc and improve protections for investors.
Monetary policy	Measures taken by central banks to boost or slow the economy, usually via changes in interest rates. Monetary easing refers to cuts in interest rates, making it cheaper for households and businesses to borrow and hence spend more, boosting the economy, while monetary tightening refers to the opposite. See also fiscal policy and quantitative easing.
Monetary Policy Committee (MPC)	Committee of the Bank of England responsible for implementing monetary policy in the UK by changing Bank Rate and quantitative easing with the aim of keeping CPI inflation at around 2%.
Money market fund (MMF)	A collective investment scheme which invests in a range of short-term assets providing high credit quality and high liquidity. Usually refers to CNAV and LVNAV funds with a WAM under 60 days which offer instant access, but the European Union definition extends to include cash plus funds.
Money markets	The markets for short-term finance, including deposits and T-bills. See also capital markets.
MRP	Minimum revenue provision - an annual amount that local authorities are required to set aside and charge to revenue for the repayment of debt associated with capital expenditure. Local authorities are required by law to have regard to government guidance on MRP.
Net borrowing	Borrowing minus treasury investments.
Net revenue stream	In the Prudential Code, income from general government grants, Council Tax and rates.
Non-specified investments	Government term for investments not meeting the definition of a specified investment or a loan upon which limits must be set. Since 2018, the term does not apply to treasury investments in England. Not applicable in Scotland.
Other long-term liabilities	Prudential Code term for credit arrangements.

Operational boundary	A prudential indicator showing the most likely, prudent, estimated level of external debt, but not the worst-case scenario. Regular breaches of the operational boundary should prompt management action.
Operational risk	The risk that fraud, error or system failure leads to an unexpected loss.
Pension Fund	Ringfenced account for the income, expenditure and investments of the local government pension scheme. Pension fund investments are not considered to be part of treasury management.
Private Finance Initiative (PFI)	A government scheme where a private company designs, builds, finances and operates assets on behalf of the public sector, in exchange for a series of payments, typically over 30 years. Counts as a credit arrangement and debt.
Property fund	A collective investment scheme that mainly invests in property. Due to the costs of buying and selling property, including stamp duty land tax, there is usually a significant fee charged on initial investment, or a significant difference between the bid and offer price.
Prudential borrowing	Another term for unsupported borrowing.
Prudential Code	Developed by CIPFA and introduced in April 2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice. Local authorities are required by law to have regard to the Prudential Code.
Prudential indicators	Indicators required by the Prudential Code and determined by the local authority to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is publicly accountable.
PWLB	Public Works Loans Board - a statutory body operating within the DMO that lends money from the National Loans Fund to local authorities and other prescribed bodies and collects the repayments.
Refinancing risk	The risk that maturing loans cannot, be refinanced, or only at higher than expected interest rates leading to an unplanned loss. Managed by maintaining a smooth maturity profile.
Supported borrowing	Borrowing for which the repayment costs are supported by government grant.
T-bill	Treasury bill - a bill issued by a government.
TMS	(1) Treasury management strategy. (2) Treasury management system.
Treasury bill	See T-bill.

Treasury investments	Investments made for treasury management purposes, as opposed to commercial investments and service investments.
Treasury management	The management of an organisation's cash flows, investment and borrowing, with a particular focus on the identification, control and management of risk. Specifically excludes the management of pension fund investments.
Treasury management advisor	Regulated firm providing advice on treasury management, capital finance and related issues.
Treasury Management Code (TM Code)	CIPFA's Code of Practice for Treasury Management in the Public Services and Cross-Sectoral Guidance Notes, to which local authorities are required by law to have regard.
Treasury management indicators	Indicators required by the Treasury Management Code to assist in the management of credit risk, interest rate risk, refinancing risk and price risk.
Treasury management policy statement	Document required by the Treasury Management Code setting out a local authority's definition of and objectives for treasury management.
Treasury management practices (TMPs)	Document required by the Treasury Management Code setting out a local authority's detailed processes and procedures for treasury management.
Treasury management strategy	Annual report required by the Treasury Management Code covering the local authority's treasury management plans for the forthcoming year.
Unsupported borrowing	Borrowing where the cost is self-financed by the local authority. Sometimes called prudential borrowing since it was not permitted until the introduction of the Prudential Code in 2004. See also supported borrowing.
Working capital	The cash surplus or deficit arising from the timing differences between income/expenditure in accounting terms and receipts/payments in cash terms.

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COUNCIL

18 NOVEMBER 2020

REPORT OF THE INTERIM CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE AND SECTION 151 OFFICER

2021-22 COUNCIL TAX BASE

1. Purpose of report

- 1.1 The purpose of this report is to provide Council with details of the council tax base and estimated collection rate for 2021-22 for approval.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:-

1. **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focussed on raising the skills, qualifications and ambitions for all people in the county borough.
2. **Helping people and communities to be more healthy and resilient** - taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.
3. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

- 2.2 The council tax base determines the amount of council tax which can be raised to fund the Council's budget. The budget strategy is an integral part of the Corporate Planning process.

3. Background

- 3.1 Under the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council tax base) (Wales) Regulations 1995, as amended, the Council is required to set the council tax base upon which council tax is levied by the authority and other precepting bodies,

for the following financial year, prior to 31st December each year. This information is required by the Welsh Government to allocate the Revenue Support Grant (RSG) to local authorities and by the Council to calculate the council tax required to fund the 2021-22 budget.

- 3.2 The council tax base is the measure of the relative taxable capacity of different areas within the County Borough and is calculated in accordance with prescribed rules. Every domestic property in the County Borough has been valued by the Valuation Office. Once valued, properties are allocated one of nine valuation bands (Bands A to I). Each band is multiplied by a given factor to bring it to the Band D equivalent as set out in the table below:

Valuation Band	Tax Proportion	Percentage of Band D
A	6/9	67%
B	7/9	78%
C	8/9	89%
D	9/9	100%
E	11/9	122%
F	13/9	144%
G	15/9	167%
H	18/9	200%
I	21/9	233%

- 3.3 The Tax Base represents the number of chargeable dwellings in the area expressed as Band D equivalents, taking into account the total number of exemptions, discounts and disabled band reductions, with the net tax base calculated by taking account of the Council's estimated collection rate. Council tax is measured in 'Band D' equivalents as the standard for comparing council tax levels between and across local authorities.

4. Current situation / proposal

- 4.1 The gross estimated council tax base for 2021-22 is 55,722.52 Band D equivalent properties and the estimated collection rate is 97.5%. The net council tax base is, therefore, 54,329.46. The estimated collection rate has been reduced from 98%, which was used when setting the budget for 2020-21, down to the lower figure of 97.5%, to reflect the current economic circumstances surrounding the Covid-19 pandemic, the higher number of citizens facing economic hardship and current collection rates.
- 4.2 The council tax base is provided to Welsh Government and is used to calculate the amount of Revenue Support Grant that a local authority receives in the Local Government Revenue Settlement. In order to ensure consistency across Wales no account is taken of Councils' assumptions about collection rates. For the purpose of distributing

RSG, collection rates are assumed to be 100 per cent. The amount of council tax due for a dwelling in Band D is calculated by dividing the annual budget requirement to be funded by taxpayers by the council tax base. A set formula is then used to calculate the liability for the remaining eight Bands.

- 4.3 The council tax element of the Council's budget requirement will be based on the net council tax base of 54,329.46. Although the Council calculates the tax base for the whole of the county borough, separate calculations are provided for each town and community council. This council tax base is used by precepting authorities in calculating their own individual precepts. Town and community councils base their precepts on the tax base for each town and community area and details of these are shown in Appendix A.

5. Effect upon policy framework & procedure rules

- 5.1 The council tax base is set in accordance with the Policy Framework and Budget Procedure Rules.

6. Equality Impact Assessment

- 6.1 There are no equality implications arising from this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

- 7.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of wellbeing goals/objectives as a result of this report.

8. Financial implications

- 8.1 These are outlined in the report.

9. Recommendation

- 9.1 It is a requirement for the council tax base to be set in order that it can be submitted to the Welsh Government for use in the RSG, and used by Councils and levying bodies to set precepts. Council is recommended:

- to approve the council tax base and collection rate for 2021-22 as shown in paragraph 4.1 of this report.
- to approve the tax bases for the town and community areas set out in Appendix A.

Gill Lewis
Interim Chief Officer – Finance, Performance and Change, and Section
151 Officer
4 November 2020

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Background documents

None

Estimated County Borough Tax Base 2021-22

Community Council Area	Total Tax Base (No. Band D Equivalent Properties)	Estimated Collection Percentage	Net Tax Base (No. Band D Equivalent Properties)
Brackla	4274.47	97.5%	4167.61
Bridgend	6082.17	97.5%	5930.12
Cefn Cribwr	556.00	97.5%	542.10
Coity Higher	4096.48	97.5%	3994.07
Cornelly	2633.05	97.5%	2567.22
Coychurch Higher	345.46	97.5%	336.82
Coychurch Lower	663.40	97.5%	646.81
Garw Valley	2334.21	97.5%	2275.85
Laleston	5079.62	97.5%	4952.63
Llangynwyd Lower	173.67	97.5%	169.33
Llangynwyd Middle	1073.80	97.5%	1046.96
Maesteg	5762.36	97.5%	5618.30
Merthyr Mawr	154.04	97.5%	150.19
Newcastle Higher	1769.05	97.5%	1724.82
Ogmore Valley	2642.55	97.5%	2576.49
Pencoed	3528.00	97.5%	3439.80
Porthcawl	8246.58	97.5%	8040.42
Pyle	2553.80	97.5%	2489.95
St Brides Minor	2374.50	97.5%	2315.14
Ynysawdre	1379.31	97.5%	1344.83
Total County Borough	55722.52	97.5%	54329.46

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