

HIGH PEAK BOROUGH COUNCIL

Report to Economy and Growth Select Committee

23rd November 2017

TITLE:	Draft Minerals & Aggregate Extraction in High Peak & Derbyshire Dales Report
PORTFOLIO HOLDER:	Councillor Kemp
CONTACT OFFICER:	Pranali Parikh – Regeneration Manager
WARDS INVOLVED:	All areas

Appendix 1- Key messages

Appendix 2- Draft report

1. **Reason for the Report:** To inform and update Councillors on the findings and recommendations of the Draft Minerals & Aggregate Extraction in High Peak & Derbyshire Dales Economic Impact Assessment Report

2. **Recommendation**
 - 2.1 That Members note the findings of the study and the suggested interventions to help to maximise future growth opportunities.

3. **Executive Summary**
 - 3.1 High Peak Borough Council in partnership with Derbyshire Dales District Council and Derbyshire County Council commissioned a study to consider the economic impact of quarrying and mineral extraction in the area, with a particular focus on the economies of High Peak and Derbyshire Dales. The key purpose for this was to raise awareness and profile of this sector at local and regional (LEP) level and highlight its importance as a key contributor to GVA.
 - 3.2 The objectives of the study were to:

- Assess and measure the economic impact of the quarrying and minerals sector in High Peak and Derbyshire Dales.
 - Consider how future development will impact on the economies of Derbyshire Dales, High Peak and the County as a whole
 - Identify existing and future challenges for the industry.
 - Identify any potential public sector supported initiatives which would help to maximise future economic benefits from the sector.
- 3.3 The study made use of existing information including, the DCC and PDNPA Minerals Local Plan evidence base, The Peak District National Park Authority Core Strategy, DCC Local Aggregate Assessment, and studies and reports produced by the minerals industry.
- 3.4 The study also provides an assessment of the current opportunities and future known challenges. This has been informed by consultation with five quarry operators (across both High Peak and Derbyshire Dales) along with the Mineral Producers Association. Consultants approached the following organisations and operators to gather information:
- High Peak Borough Council
 - Derbyshire Dales District Council
 - Derbyshire County Council
 - Minerals Producers Association
 - Cemex (Doveholes Quarry)
 - Tarmac (Middleton Mine, Dene Quarry, Tunstead, Hindlow, Ballidon. Old Moor)
 - Longcliffe Quarries Ltd (Brassington Moor, Ryder Point)
 - Aggregate Industries (Ivonbrook Brook, Topley Pike)
 - Omya UK Ltd (Dowlow, Ashwood Dale)
- 3.4 The study considers the economic benefits of the sector, at present and over the longer-term to 2040. It considers the employment effects of the quarrying and mining sector on national, regional, sub-regional (LEP areas) and local labour markets and the contribution of the sector towards the economy, through an assessment of employment-related Gross Value Added (GVA) achieved by current and future mining and quarrying activities in the two districts – GVA is a leading measure of productivity.

4 Key Findings

- 4.1 The mining and quarrying of aggregates from the High Peak and Derbyshire Dales areas is a resource of national significance, contributing around 7% towards the national supply of minerals annually.
- 4.2 High transportation costs alongside strong levels of demand for bulk aggregates from the construction/housebuilding sector, means that the

reserves underlying High Peak and Derbyshire Dales are considered to be a nationally important asset.

- 4.3 Mining and quarry activities in the High Peak and Derbyshire Dales districts will contribute a total of £2.352bn in GVA to the local economy by 2040, £1.633bn at present value.
- 4.4 Consultation with local industry operators and the Minerals Producers Association (MPA) highlighted a number of current challenges within the sector. These include the need for a skilled workforce, the need for local transport improvements and the need for efficient planning certainty. A full summary of findings and recommendations is available at Appendix 1.

5. **Next Steps**

- 5.1 Once approved, the report will be shared with the following organisations;
- D2N2 LEP
 - Sheffield City Region LEP
 - Quarry Operators in High Peak and Derbyshire Dales
 - The Mineral Producers Association
 - Derbyshire County Council
 - Derbyshire Dales District Council
 - University of Derby
- 5.2 All partners will be invited to consider how the recommended interventions can be taken forward to maximise the future growth opportunities.
- 5.3 An event will be set up for the above mentioned stakeholders to get together to discuss the next steps. The outcomes will be reported to the Economy and Growth Select Committee following the event.

6.. **How this report links to Corporate Priorities**

- 6.1 The Minerals & Aggregate Extraction Economic Impact Assessment Study supports the following aims of the Corporate Plan:
- Help create a safer and healthier environment for our residents to live and work
 - Support economic development & regeneration
 - Protect and improve the environment.
- 6.2 The study supports the High Peak Growth Strategy key priority of Growing Enterprise Culture by nurturing existing employment sectors and business growth and helping to deliver infrastructure to support growth (transport, finance and skills). The partnership approach to delivery supports effective local and sub-regional partnerships and reinforces the Council's open for business message.

7. Options and Analysis.

- 7.1 Note the content of the report and continue to work with partners to deliver the recommended interventions. This will help to ensure the sector is able to meet the predicted high level of demand for aggregates, being driven by a number of growth agendas across the Midlands and Northern regions, and maximise the sectors contribution to the labour market and economy. **Recommended.**
- 7.2 Note the content of the report and take no further action. This is not considered the preferred option because the study reports that transport, workforce and planning challenges are making an impact on sector growth at present. If these are not addressed the sector will not be in a position to meet future demand for aggregates and the benefits to the economy will not be achieved. **Not recommended.**

8. Implications

- 8.1 Community Safety - (Crime and Disorder Act 1998)
No implications.
- 8.2 Workforce
No implications at this stage. If the recommendations are taken forward then there may be implications for the Council.
- 8.3 Equality and Diversity/Equality Impact Assessment
The report has been prepared in accordance with the Council's Diversity and Equality Policies.
- 8.4 Financial Considerations
No implications at this stage. If the recommendations are taken forward then there may be implications for the Council.
- 8.5 Legal
No implications.
- 8.6 Sustainability
The report considers sustainability issues within the quarrying and minerals sector.
- 8.7 Internal and External Consultation
Officers from High Peak Borough Council, Derbyshire Dales District Council and Derbyshire County Council have been involved in the preparation of the report. A series of meetings have taken place with quarry operators and representatives from the Minerals Producers Association have been consulted.

8.8 Risk Assessment
No implications.

9. **Background and Detail**

- 9.1 The principal sources of Carboniferous limestones in Derbyshire are found mainly in an area which stretches from Buxton, in a south easterly direction through the southern half of the National Park, towards the Matlock and Wirksworth/Cromford area. This rock provides a valuable and important raw material which is used in crushed form, both as high grade aggregate for concrete making and road stone and for industrial purposes (cement and chemical processes) and a large proportion is exported to neighbouring areas, mainly to Greater Manchester and Cheshire. Relatively small amounts of sandstone/gritstone are quarried for aggregate in the north west of the area, around Glossop and Hayfield. The more extensive use of this mineral is for building stone.
- 9.2 The sector provides a range of benefits to the economy including employment, capital investment, supply chain investment and business rate returns (estimated to be in the order of £5.5m per year from 2020 onwards). There are also future identified amenity and place-shaping opportunities associated with the legacy effects of future sites, following the end of each quarry's lifecycle.
- 9.3 There is a strong national and regional agenda to increase house building and this will be a significant element in the future use of the County's aggregates. It is likely that proposed housing and economic development in the Three Cities Growth Area (an area proposed for economic growth centred on Nottingham, Leicester and Derby), as well planned development in the Sheffield City Region and Manchester City Region Growth Areas will result in an increased demand for Derbyshire's mineral resources. The proposed high speed rail link (HS2) (due for completion in 2032) may also increase the demand for crushed rock aggregate.
- 9.4 Derbyshire County Council is preparing a draft Minerals Local Plan that sets out the future scale and location of mineral working in the area The High Peak Local Plan includes a vision for the development of housing and mineral sites to support economic growth whilst protecting the environment.
- 9.5 The D2N2 Local Enterprise Partnership acknowledges the importance of the quarrying and minerals sector in the latest version of the Strategic Economic Plan and the Derbyshire Economic Strategy Statement produced by the Derbyshire Economic Partnership sets out the importance of the minerals to specific local economies. This approach compliments central government messages in such instruments as the National Planning Policy Framework. This emphasises that "Minerals are essential to support sustainable economic growth and our quality of life" and accordingly that "Minerals planning authorities should plan for a steady and adequate supply of aggregates".

Dai Lerner
Executive Director - Place

**Web Links and
Background Papers**

Location

Contact details

Appendix 1

**Minerals & Aggregate Extraction in High Peak and Derbyshire Dales
Key Messages**

Strategic Importance

- Minerals extraction activities in the High Peak and Derbyshire Dales areas is a resource of national significance, contributing around 7% towards the national supply of minerals annually
- In 2015, 14.8m tonnes of aggregate resource were extracted from the High Peak and Derbyshire Dales districts (c.11.7mt in High Peak and c.3.0mt in Derbyshire Dales).
- Around two-thirds of the sector's advanced supply chain is located in either the two districts or within the wider D2N2 and Sheffield City Region areas
- Without the aggregate resource from the two districts, the viability of major capital development projects across the Midlands and Northern regions would be compromised

Economic Contribution

- There are currently 924 direct FTE jobs in the mining and quarrying sector across the two districts (317 in High Peak and 607 in Derbyshire Dales), accounting for 82% of Derbyshire's workforce in the sector and 5.4% of the national jobs in the sector.
- Minerals extraction activities in High Peak and Derbyshire Dales are estimated to currently support 2,056 net additional FTE jobs nationally, of which 1,740 net FTE jobs are estimated to be located within the D2N2 and Sheffield City Region LEP areas. Of these it is estimated that the sector current supports 1,437 net additional FTE jobs across the two districts.
- It is estimated that the local sector contributes around £133m in GVA towards the national economy each year and average 'per worker' GVA contributions within the mining and quarrying sector in the two districts are higher than equivalent contributions in the manufacturing sector.
- The long-term GVA contribution to the local economy from mining and quarry activities in the High Peak and Derbyshire Dales is estimated to be £2.350bn by 2040, £1.633bn at present value. When including the whole of the sector's supply chain, it is estimated that mining and quarrying activities in High Peak and Derbyshire Dales will contribute a total of £3.150bn in GVA towards the national economy by 2040, £2.188bn at present value.
- At £316m per year, the annual estimated turnover achieved by businesses operating in the mining and quarrying sector in the High Peak and Derbyshire Dales areas is equivalent to around three-quarters of the annual GVA contribution of the visitor economy in the Peak District National Park and its surrounding area of influence.
- At current levels, there are potential Business Rate returns to the two Councils in the order of £5.5m per year from 2020 onwards, (subject to a 'Fair Funding Review').

Major Challenges and Future Success Factors

- **Major capital Investment** - development projects across the midlands and northern regions of England will continue to be key drivers for product demand from the minerals sector. Ensuring an ongoing pipeline of major development projects will therefore help to ensure that demand for minerals products remains high.
- **Workforce and skills** - The mining and quarrying sector has a matured but ageing workforce and workforce replacement is anticipated to be an increasing priority for the sector over the coming decades. Encouraging younger people into the sector is likely to become increasingly important and there is currently an underdeveloped skills infrastructure in place nationally to ensure the supply of workers into the sector.
- **Planning** - Due to the long-term investment commitments made by the sector, planning certainty is an important consideration in strategic business planning. Under the current

framework, all extraction licences are due to expire by 2042 and setting out a process for a future licencing framework would help with business planning over the longer term. It is also noted that attaining planning consent is a lengthy and costly process for the operators and that efficiencies within the planning system would help to drive efficiency gains within the sector.

- **Transport Investment** - Investment in rail infrastructure will help to unlock the market reach of minerals from High Peak and Derbyshire Dales among the larger quarry sites, which are already connected to the rail network. Operators are looking to transport an increasing share of output via rail, but there are known capacity constraints on the network. Rail gauge improvements at Buxton will help to overcome some of the constraints. Investment in overcoming known local road congestion challenges will significantly help the sector to transport bulk minerals efficiently. The sector has identified three main blockages on the road network, including transport through Buxton and Ashbourne, where new bypasses are seen by the sector as desirable, and on the A6 in Stockport, where the removal of traffic lights are viewed by the sector as a potential solution to easing congestion.