



essential materials
sustainable solutions

To: England mps@defra.gsi.gov.uk
Wales marine@wales.gsi.gov.uk
Scotland anna.donald@scotland.gsi.gov.uk
Northern Ireland marineteam@doeni.gov.uk

BMAPA

Gillingham House
38 - 44 Gillingham Street
London SW1V 1HU
Tel +44 (0)20 7963 8000
Fax +44 (0)20 7963 8001
bmapa@mineralproducts.org
www.bmapa.org

7th May 2010

Dear Sir/Madam

Re. Pre-consultation on the Draft UK Marine Policy Statement

1. The British Marine Aggregate Producers Association (BMAPA) is the representative trade organisation for the British marine aggregate sector. The association represents 10 member companies who collectively produce around 90% of the 20 million tonnes of marine sand and gravel dredged from licensed areas in the waters around England and Wales each year.

Background

2. Marine dredged sand and gravel is principally used by the construction industry, and the marine contribution provides 20% of overall sand and gravel demand in England, 90% of fine aggregate demand in South Wales, 35% of total construction aggregate demand in South East England and over 50% of construction aggregate demand in London. In this respect, marine aggregate supplies play a key role in supporting the delivery of various Government policies, including Sustainable Communities, the regeneration of Thames Gateway and the 2012 Olympic Games. Some 30% of total production from English waters is exported (to Wales and the near Continent), making a contribution to the nations balance of payments.

3. Marine dredged sand and gravel also provide a strategic role in supplying large scale coast defence and beach replenishment projects – over 25 million tonnes being used for this purpose since the mid 1990's. With the growing threats posed by sea level rise and increased storminess, the use of marine sand and gravel for coast protection purposes will become increasingly important.

4. In the near future, marine sand and gravel resources can be expected to play a key role in supporting the successful delivery of major infrastructure projects associated with Government policies related to energy security and climate change, such as nuclear new builds, tidal power developments, port developments and offshore wind farms. The coastal location of many of these developments means that the sector is ideally placed to supply the large volumes of construction aggregate and fill material that will be required.

BMAPA is part of the Mineral Products Association, the trade association for the aggregates, asphalt, cement, concrete, lime, mortar and silica sand industries

Registered in England as Mineral Products Association Limited No. 1634996
Registered at the above address

5. To meet these various needs, the marine aggregate sector is dependant upon identifying and licensing economically viable sand and gravel deposits to secure sufficient reserves to maintain long term supply to existing and well established markets. The location of such deposits is extremely localised around the waters of England and Wales, restricted to their geological distribution and their geographical position related to the markets location.

6. At present 1278km² of seabed is licensed for marine aggregate extraction in the waters around England and Wales, of which around 138km² is dredged in a typical year. This represents around 0.15% and 0.016% of the total UK continental shelf area (867,000km²) respectively. A further 1931 km² of seabed is currently under application or covered by prospecting licence. In this respect, the marine aggregate sector is responsible for managing a significant area of the UK seabed.

Overarching Comments

7. We very much welcome the opportunity to comment on the draft UK Marine Policy Statement. An efficient and proportionate planning regime which provides a framework to enable delivery of a 'licence to operate' for all activities and operations is essential to support the wider sustainable development and management of UK waters. However, both the planning and regulatory processes need to be guided by a robust and clear long term policy that clearly sets out UK Government's expectations and requirements for all uses of the marine environment.

8. A long term policy view to underpin the planning and regulatory functions is absolutely essential to provide certainty and confidence to marine users, particularly where significant long term capital investment is required to undertake the activity in question. As an example of this the current replacement value for the British marine aggregate dredging fleet is >£1 billion. Vessels are expected to have a working life of 25 years and, with the average age of the British fleet being 20 years old, significant investment will be required in the next 5-10 years. The Marine Policy Statement and the new planning and regulatory regimes that will support the delivery of it will provide an essential backdrop to these investment decisions.

9. The pre-consultation document as presented defines a high level policy context for the sustainable use of UK's seas – and we very much welcome the documents recognition of the need to use marine resources in a sustainable way and to promote sustainable economic development alongside the need to protect the marine environment.

10. While recognising that the MPS is deliberately high-level, given the challenges of ensuring compatibility between marine uses potentially competing for the same space, and also the need for a transparent and robust mechanism to ultimately guide plan/decision making between competing activities, it is essential that the policy and processes that will inform such decisions are clearly defined. At present the MPS provides no clarity on such matters, therefore it is essential that the formal consultation version of this document, or the supporting Marine Planning System Guidance which we understand will be issued in parallel, provide clear guidance to comprehensively address these critical issues.

11. We welcome the documents recognition that the policy positions it presents and the marine planning process it will ultimately inform will need to sit alongside and integrate with existing terrestrial policies and plans. This is particularly important for the marine aggregate sectors linkage with national minerals policy (Mineral Policy Statement 1 in England and Minerals Technical Advice Note in Wales). Marine aggregate supplies form an integral component of the overall portfolio of supply of construction aggregates to both England and Wales, and it is therefore essential that these key policy links are made. To ensure that all such

information is taken into account on a consistent basis by all parties, a supporting annex within the MPS where all relevant policy documents for individual sectors activities are listed would assist.

12. A major area of concern is that the current export market of construction aggregates for the sector (which accounts for around one third of all UK marine aggregate production) is barely referenced, bar in simple value terms under paragraph 2.30. This is despite it representing a significant and integral part of the sectors business as a whole. As well as making a contribution to the UK's balance of payments, the potential of the export market for British marine aggregates helps to insulate the sector from variations in market demand – such as those which are currently being encountered. The majority of marine aggregate operators are part of global multi-national businesses. As such, a key component to the ongoing viability of the marine aggregate sector (most notably for future investment) is its ability to support, on an ongoing basis, significant parent company interests located on the Continent, as well as being able to contribute external sales into this market.

13. It is important to understand why British marine aggregates play such an important role on the Continent, and in Holland and Belgium in particular. Firstly, as in parts of the UK, the availability of locally-won terrestrial aggregates are becoming increasingly constrained – an both Holland and Belgium are heavily reliant upon imports of construction aggregate from adjacent nations (Germany and France in particular, along with crushed rock by sea from Scandinavia). Secondly, neither Holland nor Belgium have any significant resources of coarse sediment geologically present on their continental shelves. Both have significant volumes of fine-medium sand, which are widely exploited for beach nourishment, for land reclamation and for construction purposes, but little of the coarse sand or gravel required for concrete production – the primary end-use of British marine aggregates. Imports are therefore further supplemented by marine sand and gravel from British licensed areas – particularly in the urban strip along the coast, where the economies of scale that come from marine transport mean that large volumes can be delivered close to the urban areas where they are to be used.

14. With a single marine aggregate dredger costing £30-40m and having a working life of 25 years, the capital investment required to undertake marine aggregate operations is enormous. Dredgers will be deliberately designed with the potential to supply all of the four markets that exist (UK construction, exports for construction, beach nourishment and contract fill), on the basis that their productivity and use has to be maximised. Similarly, the tonnages for these four markets will normally come from the same permitted tonnage and licensed sources.

15. Given this background, it is therefore essential for the Marine Policy Statement to recognise each of the very distinct markets the sector supplies, understand why these markets exist, and acknowledge their importance to the viability of the business as a whole. The significant and complex relationship between the four markets and the interchange that occurs between dredging vessels and permitted licensed areas to meet each of the markets varying demands means that if one element is omitted, the overall policy position could potentially become highly inflexible & restrictive. This would constrain the ability of the sector to compete in the long term – both internally across the sector and with external alternative aggregate supplies. Reduced competitiveness would result in reduced production capacity across the sector (limited investment in new vessels), and such a position could therefore have serious ramifications for the ability of the marine aggregate business to maintain their contribution to existing markets (including UK construction requirements), as well as areas of potential future growth.

Chapter 2

16. In terms of the marine aggregate context presented in paragraph 2.30 of Chapter 2, we are pleased that the important role the sector plays in supporting the UK construction sector (responsible for around 6% of UK Gross Domestic Product) is recognised, as well as the other end-uses for marine aggregate materials. The acknowledgement of the future potential of the sector in supporting wider Government policy areas, most notably those related to energy security and climate change adaptation, is particularly welcome given the long term nature of the business – both in terms of the time and effort required to secure the necessary mineral reserves, and also the significant investment required to replace the dredging fleet.

17. An important omission in the current text relates to the importance of retaining adequate wharf infrastructure to ensure that marine aggregate resources can maintain access to the markets that they support. While this represents primarily a terrestrial planning issue, it is also a further area where marine and terrestrial policy areas could usefully join up – particularly at a national scale. On this basis it would be helpful if the MPS were able to reference the importance of maintaining wharf infrastructure/capacity.

18. We also note that while reference is made to the English Marine Minerals Guidance Note 1, there is currently no reference to the equivalent policy guidance note that exists in Wales – Interim Marine Aggregate Dredging Policy, published by the Welsh Assembly Government in 2004.

Chapter 4

19. Within the detailed guidance on marine aggregates presented in Chapter 4 (paragraphs 4.51-4.57), we are pleased to see that both the current and future potential of the sector is presented along with a description of the environmental benefits that marine supply can offer. However, it is less clear how the 'Issues for consideration' (paragraphs 4.56-4.57) should be interpreted by those preparing marine plans or taking regulatory decisions, so that the policy requirements could be effectively delivered. An example would be the statement;

'Marine plan authorities should as a minimum make provision within marine plans for a level of supply of marine sand and gravel that ensures that marine aggregates (along with other sources of aggregates) contribute to the overarching Government objective of securing an adequate and continuing supply to the UK for various uses.'

Paragraph 4.56, Draft MPS

20. As a headline statement, the position that is presented is reasonably clear and positive in terms of the ongoing contribution the sector is expected to make. However, when viewed at a regional plan or site specific decision making scale it will be far more difficult to apply in practice – particularly as the proposed plan areas bisect many existing marine aggregate dredging regions. We recognise that the MPS is deliberately high-level, and will be supported by a Marine Planning System Guidance document, to be issued in draft form alongside the formal draft MPS. However, to further assist with the regional and site specific application of the MPS, we would suggest that in certain situations further secondary policy guidance for sectoral activities may be necessary, particularly where more detailed guidance is not already available, as is the case for the marine aggregate sector.

21. In paragraph 4.57, we welcome the reference to the marine plan authorities taking account of the existing area of seabed that is currently being dredged, and also the need to safeguard reserves for future extraction. The latter point is

particularly important given that the geological distribution of commercially viable marine aggregate resources is highly localised. However the meaning of the statement '...offshore movements of aggregates...' is not clear. The earlier paragraph 4.51 makes reference to the inter-regional transfer of aggregates between licence areas and the markets being supplied which may be a better way of expressing the issue (assuming that is what was meant), with the addition of the exports component of the business (including trade between England and Wales).

22. We would though suggest that in terms of planning for the medium to long term, it is essential that the requirements of the sector are not solely based on the existing dredged footprint. While this area represents the spatial pressure exerted by the sectors operations in any single year, permission and licence areas are generally far more extensive. As an illustration of this 1278km² of area was licensed in 2008, of which 570km² was available to be dredged (the active dredge area) and 138km² was actually dredged. Dredging permissions represent long term interests, and are typically issued for up to 15 years with the potential to be renewed depending on the remaining resource. Equally, the dredging licences issued by The Crown Estate provide operators with the exclusive option to apply to extract mineral resources for up to 30 years and beyond (subject to the successful renewal of permissions). The footprint required by the sector over the term of the permission will therefore be considerably greater than the area dredged in any single year. As a consequence, it is important that the policy and associated planning process recognises the different spatial needs of the sector over time. While it will not necessarily be possible to deliver this in the MPS itself, this aspect could be addressed in the additional secondary policy guidance highlighted under paragraph 20 of this response.

23. We trust that you find these comments helpful as you continue to develop your thinking on the Marine Policy Statement. If there are any queries or further questions relating to the points that we have raised please do not hesitate to contact the undersigned.

Yours faithfully

A handwritten signature in black ink, appearing to read 'M Russell', with a period at the end.

Mark Russell
Director, BMAPA

Mark.Russell@mineralproducts.org