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Dear Sir/Madam

**NUMBER: WG29897: CONSULTATION TO INFORM THE DEVELOPMENT OF THE
NATURAL RESOURCES POLICY**

The Mineral Products Association (MPA) is the trade association for the aggregates, asphalt, cement, concrete, dimension stone, lime, mortar and silica sand industries. With the recent addition of British Precast and the British Association of Reinforcement (BAR), it has a growing membership of over 480 companies and is the sectoral voice for mineral products. MPA membership is made up of the vast majority of independent SME quarrying companies throughout the UK, as well as the 9-major international and global companies. It covers 100% of GB cement production, 90% of aggregates production, 95% of asphalt and over 70% of ready-mixed concrete and precast concrete production. Each year the industry supplies £20 billion worth of materials and services to the Economy and is the largest supplier to the construction industry, which has annual output valued at £144 billion. Industry production represents the largest materials flow in the UK economy and is also one of the largest manufacturing sectors.

With reference to the above consultation, we have divided our response in to two key areas; firstly, matters affecting green growth and secondly, general resource considerations and how these should be considered in the Natural Resources Policy. We trust the following comments are given due consideration.

Accelerating green growth by increasing resource efficiency, renewable energy and supporting innovation

MPA supports the Welsh Government focus on sustainable development and specifically on accelerating green growth by increasing resource efficiency, renewable energy and supporting innovation.

However, in achieving this priority theme, it will be important for the Welsh Government to recognise that cement and concrete are fundamental to energy, climate adaptation and transport infrastructure, as well as to buildings and construction projects. For example, cement and concrete are necessary to construct:

- new power stations, renewable generation projects, like offshore wind farms, pylons, substations and other transmission infrastructure;
- flood defences and flood prevention measures;
- roads, railways, aircraft runways and their associated facilities like hangars and engine sheds;
- large buildings like hospitals, schools, offices and factories
- small buildings like domestic dwellings.

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Cement manufacturing historically used only natural raw materials but the modern industry today contributes to the circular economy by:

- recycling mineral and metal content as well as recovering energy from fuels - known as ‘coprocessing’;
- taking wastes at the end of their valuable life;
- adding value via a quality product;
- restarting the value chain; and
- mainly finding use in durable and 100% recyclable concrete products.

The cement sector in Wales¹ is reliant on access to key materials, including suitable waste materials, and future availability of these materials is important to the continued environmentally and economically sustainable production of cement in Wales. Future availability of waste materials is a key concern for cement producers and, whilst not a current barrier, should be considered when developing resource efficiency policies and to encourage investment.

Unlike other combustion processes, like power generation, incineration and biomass boilers, the ash from fossil and waste derived fuels form part of the mineral content of the cement and not a waste residue. The total recycled content of all cement manufactured in the UK, through the recycling of waste materials and the use of by-products, was 12.5% in 2015. Almost 2% of this was ash recycled from the fossil and waste-derived fuels.

As such, the cement sector provides local, high added-value opportunities for waste materials that have reached the end of the value chain, and cement manufacturing contributes significantly to the circular economy through resource efficiency in the production processes. Having a healthy domestic cement industry therefore reduces the UK’s need for landfills and incinerators.

Cement manufacturing produces almost no process waste and since 2012 manufacturers have avoided landfill by recovering all process wastes for beneficial uses - either into construction products or as a soil improver/fertiliser. The ability to accept additional waste streams for energy recovery and recycling at cement plants requires multi-million pound investments, and are subject to planning and permitting processes. Such projects may take several years to plan, construct and commission. In order to make such an investment case, the long-term availability of materials to achieve an acceptable return on investment needs to be assured early in the decision-making process.

The MPA believes that the use of waste materials as fuel and raw materials for cement kilns should continue to be supported as a value-adding market for appropriate materials, and that the Welsh Government should be cognisant of the existing benefits already being delivered when developing its Natural Resource Policy. The Welsh Government should be cautious of a ‘one size fits all’ approach that may discourage the supply of alternative materials to the cement industry. The MPA would welcome a targeted hierarchy that places the supply of alternative materials to cement kilns in preference to incineration or energy recovery in ‘Energy from Waste’ facilities, and directed support to encourage the waste sector to turn low value wastes into fuel for the cement sector.

¹ There are currently two cement kiln sites in Wales, at Padeswood in Flintshire and at Aberthaw in the Vale of Glamorgan, which both use waste materials in their production processes, permitted by Natural Resources Wales

Natural Resource Considerations

It is frustrating that a Welsh Government consultation on Natural Resources Policy falls short of recognising and appreciating the wealth of natural mineral resources available and the potential value of the minerals products sector to the Welsh economy and society as a whole. Mineral products are critical to deliver the three priority themes identified.

In brief, the minerals products industry in Wales is directly responsible for:-

Welsh sales of aggregates and manufactured mineral products	22.6mt
Annual turnover of the mineral products industry in Wales	£650m
People directly employed in our industry in Wales	3,800
Annual turnover in other sectors of the economy supported by the mineral products industry in Wales	£232m
People employed in other sectors of the mineral products industry in Wales	2,000
Value of the Welsh construction sector - our main customer	£3bn
Jobs supported through the Welsh construction sector	88,000

Without the essential raw materials, our members produce, we would not be able to build homes, schools, hospitals, factories and the associated roads, pipes and other infrastructure. Crushed rock and sand & gravel are used to produce cement, concrete, asphalt, lime, bricks, blocks and mortar. Extensive use is also made of recycled aggregates and secondary materials, derived from the waste products of other industrial processes.

The Welsh road and transport network, energy infrastructure (including green energy) and water and sewage systems rely heavily on the raw materials we extract. Forty per cent of our industry products in Wales are used to maintain existing infrastructure. Other specialist materials are used to manufacture products such glass and toothpaste, and to provide clean water - things we all take for granted.

With the publication of the recent report by Sir Charles Hendry, Wales has the opportunity to lead the way in tidal lagoon power, with the prospect of much larger projects proposed for Cardiff, Newport and the North Wales coast. Given the mineral products sector represents one of the last remaining heavy industries in Wales, providing jobs in rural locations where there are limited opportunities for secure employment, the vital role we play in enabling growth and the delivery of sustainable development will come to the fore, as local mineral resources produced using local people support the delivery of national projects.

Hendry concludes that *“tidal lagoons would help deliver security of supply; they would assist in delivering our decarbonisation commitments; and they would bring real and substantial opportunities for the UK supply chain”*.

While the Cardiff Bay barrage cost £200m to construct, over the next ten years it drew almost £3 billion of regeneration investment to the area, bringing new businesses and with it jobs, homes, tourism and leisure and recreational facilities.

None of this could be delivered without the sustainable development of our mineral resources by the mineral products sector.

In addition to providing the minerals products society requires, to safeguard and enhance our quality of life, minerals developments have the scope to create significant biodiversity opportunities and on a landscape scale, through the progressive restoration of our operations. Such sites create opportunities to contribute to water storage, providing options for flood protection, potable water sources, energy and recreation, helping meet key challenges identified within the consultation document.

We await clarity on how the State of Natural Resources Report, Natural Resources Policy and Area Statements will dovetail to deliver a sustainable and healthy economy, environment and society, but would seek assurance that the sustainable development of Welsh mineral resources is not overlooked in meeting the inevitable challenges to deliver the nature-based solutions.

In terms of improving community and individual well-being highlighted in the consultation document, we must be critical of the decision of the Welsh Government to close the Aggregates Levy Fund (ALF). This short-sighted decision marks the end of community and environmental benefits associated with the Levy across the UK. When the Levy was introduced in 2002 it was intended that around 10% pa of Levy revenue would be spent on a variety of community and environmental projects as a means to deliver environmental improvement across the sector, and reflect the local effects of mineral extraction. The Welsh ALF had invested £20m into community and environmental projects within quarrying communities over the last 15 years and has helped build strong and lasting relationships between the industry and local people.

The Levy itself is a tax raising measure which has no proven direct environmental benefits: companies pay £2 per tonne of aggregates sold regardless of their environmental impact or performance. The ALF was set up to use revenues from the Levy for positive environmental and community purposes and any suggestion that the Aggregates Levy was an “environmental” tax is negated, it is now just about revenue raising.

The Welsh Government had until recently been the only devolved administration which had maintained a Levy Fund. The UK Government receives c£350 million of Aggregates Levy p.a. and, following the announcement by Lesley Griffiths AM, Cabinet Secretary for Environment and Rural Affairs, that a budget for the Welsh programme will not be carried forward into 2017, none of this revenue will now be available for use by communities in quarrying areas and for environmental projects suggesting the. MPA has consistently supported the operation of the ALF as a means to support the delivery of local community benefits and environmental improvements associated with the minerals sector and calls on WG to reinstate the ALF as a means of delivering the Key challenges identified in the consultations in those areas where mineral operations occur.

Whilst the consultation document recognises that natural resources and ecosystems underpin all aspects of well-being in Wales it falls short in recognising the true extent of how this is achieved.

In summary, we believe the consultation is long on words, but short on direction and context to facilitate the delivery of a Natural Resources Policy.

We trust the above comments will be taken in to consideration and are keen to engage during the development of a Natural Resources Policy.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Nick Horsley', with a large, sweeping flourish underneath.

Mr Nick Horsley
Director of Planning, Industrial Minerals and MPA Wales