Executive Summary

This report sets out to inform the Office of Fair Trading Market Study into the how the aggregates market works and to look at the relationship between how the planning system operates in Northern Ireland.

The report identifies the key issues such as;

- The overwhelming majority of the 183 quarries and sand pits in Northern Ireland are family owned independent operators.

- Over the past 14 years the average annual production of the industry has been 25 million tonnes. This equates to 14.7 tonnes per head of population in comparison to 4 tonnes per head of population in GB. However in 2009 the DETINI Minerals Statement showed that production dropped to 19.5 million tonnes, a drop of 30% from the 2007 level of 29 million tonnes.

- Employment within the industry now stands at approximately 3,750 compared to almost 5,000 at the start of 2008. The current economic downturn has resulted in a 25% in employment.

- The importance of the aggregates levy credit scheme in raising environmental standards, creating the much sought after level playing field and protecting the competitive viability of the Northern Ireland quarry industry against untaxed imports and illegal extraction operations.

- The breakdown of aggregate production by county and type showing the rich diversity of geology that Northern Ireland enjoys.

The report specifically focuses on the nature of the Northern Ireland Planning System with particular emphasis on Minerals planning, "or the lack of it". The report highlights six key areas of criticism for the current planning system;

- High cost of mineral planning application fees in Northern Ireland.
- Lack of a Planning Policy Statement for Minerals in Northern Ireland.
- No implementation of Permitted Developments Rights for the industry.
- No Minerals Mapping or Safeguarding Programme underway in Northern Ireland.
- Supply and demand statistics are needed.
- Retention of planning skills and minerals experience within the Special Studies Unit and other departments.

It is the hope of QPANI that by bringing to the attention of the Office of Fair Trading we will identify the key operating and competitive challenges that the aggregates industry face in Northern Ireland compared to other parts of the United Kingdom.

Gordon Best
QPANI Regional Director

Contents

1. Introduction

1.1 The Office of Fair Trading (OFT) launched a market study into the UK aggregates sector on 7 September 2010. The scope of the study covers the following:

> 1. *The extent of competition between different aggregate producers, and whether increasing concentration and integration of operations may affect may affect competition at the local level*
> 2. *How the planning system, in determining supply of aggregates at a local and national level, and competitive forces interact and affect services and value for money provided to customers*
> 3. *Barriers to entry and how these differ depending on whether competition is for land based aggregates, marine based aggregates, or secondary aggregates*

1.2 The aim of this study is to understand how the aggregates market works and to look at the relationship between how the planning system operates, especially the system of nationally managed aggregates supply, and competition, investment and prices. It will consider whether there are any distortions of competition, especially at the local level and barriers to entry within the sector both for primary and secondary aggregates.

1.3 Submissions of evidence are required by 15 October 2010. The market study is anticipated to be completed by July 2011. This document is made on behalf of the Northern Ireland Quarrying and Quarry Products Industry by the Quarry Products Association NI (QPANI) and is its submission to the OFT market study. The QPANI welcomes the opportunity to respond and our submission is made in parallel with the Mineral Products Association (MPA).

2. Objectives of submission

2.1 The main focus of this QPANI report is to highlight the background and make up of the Northern Ireland quarry industry, its production levels and value.

2.2 The report will also highlight the nature of the planning system that governs mineral development in Northern Ireland and highlight other threats and opportunities that face the industry.

3. QPANI background

3.1 Founded in Northern Ireland in 1998 the QPANI now represents 95% of aggregate production in the Province. Our membership includes major, medium and smaller sized companies. The Association represents companies engaged in the supply of primary aggregates; the processing of recycled and secondary materials; the production of down stream processed products such as asphalt, lime, mortar, ready-mixed concrete and precast and road surfacing contracting.

3.2 Who we represent:

79	Quarry Products Companies
23	Affiliate Members
3	Associate Members

3.3 QPANI is affiliated to Minerals Products Association (MPA) and European Aggregates Association (EUPG).

3.4 QPANI Aims:

- To represent members' interests effectively and to add value to member companies' businesses.
- To identify, assess, respond to and influence all issues that will affect or are affecting member companies' ability to operate.
- To have effective and influential relationships with all levels of Government and regulatory bodies.
- To have effective and influential relationships with other trade associations and NGOs involved in these issues.
- To communicate with member companies so that there is a clear understanding of issues and their implications, QPA positions, action plans and campaigns.
- To develop with member companies, key industry messages and strong core values.
- To review the relevance of the key messages and core values annually and effectively promote them.

3.5 QPANI Key Messages:

- We are an essential industry
- We are socially and environmentally responsible operators
- We are a valuable and active part of our communities
- We are committed to the principles of sustainable development

4. Aggregates Industry in Northern Ireland

4.1 As a result of its varied geology, Northern Ireland has a diverse aggregates base upon which the construction industry has developed. There are around 180 active quarries and pits extracting material primarily for the local market.

4.2 Quarrying is an essential part of our modern society and aggregates are a vital resource for economic growth and development, making a significant contribution to Northern Ireland's prosperity and quality of life not least in helping to create and develop sustainable communities. It is important that there is an adequate supply of raw materials to provide the infrastructure, buildings and goods that society, industry and the economy needs.

4.3 The industry currently employs approximately 3750 people, mainly in rural areas, and in areas designated by Government as targeting social need (TSN). At the beginning of 2008 the industry employed 5000 people giving a 25% reduction in employment levels in just over a year.

4.4 Facts & Figures about our Industry

- Average Annual Aggregate Production 25 million tonnes
- Annual Turnover of Quarry Products sector- approx. £600m (includes quarry products (3% of NI GDP)
- Employment – over 3,750 jobs directly

4.5 The primary products extracted include sand and gravel, basalt, sandstone (including greywacke) and limestone.

4.6 Most quarries are operated by long established family-owned businesses, but a small number are larger and part of multi-national companies.

4.7 The quarrying and quarry products sector in Northern Ireland has the highest adoption of the ISO 14001 Environmental Management Standard across all industries.

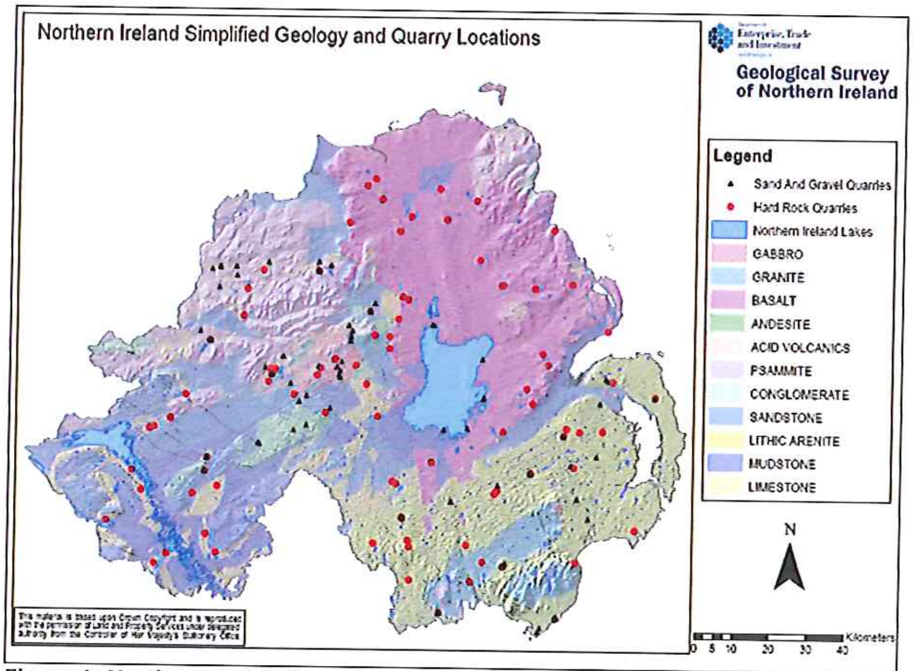

Figure 1: Northern Ireland's geology showing quarry and pit locations

5. Mineral Statements

5.1 Data availability on active workings is chiefly from the Geological Survey of Northern Ireland (GSNI) and latterly from the Aggregates Levy Credit Scheme (ALCS) registration list. The GSNI statistics state a total of 155 active workings (2009 mineral statement returns) and the ALCS Registration gives a total of 183 active workings.

5.2 Each year, around February the Minerals Branch in GSNI on behalf of the Department of Enterprise, Trade and Investment Northern Ireland (DETINI) collects industry data and publishes an Annual Mineral Statement – Mined under the Mines Act 1969 and Quarries (NI) Order 1983.

5.3 GSNI has reported a considerable improvement in the number of completed returned statements by industry in the recent years, signifying 100% returns in 2009. In the region of 180 quarries are contacted each year from a GSNI database. Quarries report back production values or a nil return indicating that they are no longer in production or the quarry in currently inactive or mothballed.

5.4 The DETINI Mineral Statements collected annually by GSNI is the primary origin of information about the industry. It has been observed by QPANI that Northern Ireland industry statistics is frequently left out of GB and UK reports.

	Basalt	Clay and Shale	Limestone	Sand and Gravel	Sandstone /Gritstone	Other	Total
Co. Antrim	10	1	2	3	1	3	**20**
Co. Down	3	2	0	6	11	9	**31**
Co. Armagh	5	3	3	1	2	5	**19**
Co. Fermanagh	2	1	10	1	0	0	**14**
Co. Tyrone	5	6	4	23	1	7	**46**
Co. Londonderry	8	3	1	11	0	2	**25**
Total	**33**	**16**	**20**	**45**	**15**	**26**	**155**

Table 1: Site count by County using 2009 data.
Source: *Department Enterprise, Trade and Investment; Minerals Branch (Annual Mineral Statements 2009).*

Commodity	Number
Basalt and igneous rock excl granite	33
Sandstone/Gritstone	15
Limestone	18
Sand and Gravel	45
Chalk	3
Clay and Shale	16
Granite	3
Other	22
TOTAL	155

Table 2: Number of quarries by commodity (2009)
Source: *Department Enterprise, Trade and Investment; Minerals Branch (Annual Mineral Statements 2009).*

6. Aggregates Levy Credit Scheme

6.1 Currently Aggregates Levy in Northern Ireland set at 40 pence per tonne on extracted material. Levy in the rest of the UK is £2.00 per tonne. Current 80% rebate finishes on 31st March 2011.

6.2 Quarrying companies in Northern Ireland who wish to avail of the reduced aggregates levy rate must be registered to the aggregates levy credit scheme.

Commodity	Number of Sites
Sand & Gravel Pits	**85**
Hard Rock Quarries	**98**
Total	**183**
Recorded number of primary aggregate producers – 123 companies	

Table 3: Number of quarries and pits registered with the Aggregates Levy Credit Scheme.
Source: ALCS Team, DOENI August 2010

6.3 The Scheme uses a Code of Practice and Audit Protocol as the mechanism for assessing site operations. It contains16 general environmental areas against which operators' performances are judged, with a total 94 specific issues considered within those general headings.

6.4 Since the introduction of the ALCS there has been significant improvement in the environmental performance within the industry and this is reflected the recent QPANI Report[1] *'A review of the Aggregates Levy Credit Scheme supporting the case for a continued levy relief scheme in Northern Ireland.'*

6.5 There have been major improvements across the board. A lot of operators are taking pride in their progress/achievements and point this out when site visits occur. QPANI are keen to publicise the level of improvements since the Scheme began in 2004.

6.6 Operators feel the Scheme is creating a level playing field and welcome the fact that others, whom they felt were not up to standard, now have to improve and maintain their performance.

6.7 The industry has generally welcomed the Scheme as a means to bring those operators whose standards are low into line and to showcase the industry's willingness to lead the way, environmentally. The QPA was and continues to be a strong advocate of the Scheme, providing advice, guidance and support to members. There is a strong positive working relationship between QPA and DOE staff involved in the administration of the ALCS.

6.8 Regulatory authorities, particularly Planning Service and Water Mgt Unit, have all welcomed the introduction of the ALCS. They see it as a very important tool in driving regulatory compliance, as the cost implications of suspension/withdrawal of a Credit Certificate are considerable. There appears to have been some historical casualness within the industry in relation to regulatory requirements and membership of the ALCS has helped focus on the need to meet these requirements. The threat/possibility of suspension reduces the effort the regulatory authorities have to make to get people to meet their obligations. Normally, regulatory bodies find taking the legal enforcement route involves a substantial effort and lapsed time; usually ending with the scale of fines imposed so lenient offenders don't particularly feel

[1] http://www.qpani.org/documents/QPANIALCSFULLREPORTJUNE2010.pdf

threatened. Operators, however, realise they cannot survive if they don't have the levy rebate – the full rate would price them out of business in a very competitive market so invariably they will work to remedy any breaches.

6.9 It is imperative that everyone appreciates the importance of Northern Ireland achieving this further derogation. The impact on Northern Ireland construction budgets will be significant. We currently produce around 25 million tonnes of aggregate in Northern Ireland. Allowing for exemptions the total taxable tonnage is approximately 21 million tonnes. Current levy payments to HMRC are in the region of £8,400,000. If we did not enjoy the derogation and paid the full level of the levy that payment would have been £42,000,000. Given that Government currently procures approximately 60% of construction work in Northern Ireland (circa 11.4 million tonnes of aggregates) the cost to the public purse will be in the region of £23,000,000 per year. Of course the Finance Act 2001 containing the Aggregates Levy set up the UK Sustainability Fund whereby 10% of the total levy fund would be repaid to the devolved administrations through the Barnett Formula. This actually means that NI is at an immediate disadvantage given that we have only 3% of UK population but produce some 12% of total UK virgin aggregate supply.

6.10 The fundamental reasons why state aid approval for the derogation was given and stated back in 2004 was:

- The impact of the levy on the balance of competition between Northern Ireland and the Republic of Ireland where no levy existed; and
- The cost of the levy to the public sector construction.

These circumstances have not changed since then.

6.11 One of the aims of the ALCS was to increase the production of recycled aggregates. The Code set a target for individual quarries, where feasible, to have achieved a level of use of Construction & Demolition Waste of 5% of their annual extraction figures by the end of the scheme. Sand and gravel operations are virtually all outside this target as they don't possess the necessary equipment to recycle material. While a small number of quarries are actually recycling and a number of other quarries have indicated a willingness to undertake recycling, it has not proved possible across the board because of a number of factors including:-

- Lack of available material;
- Site remoteness from areas of secondary material;
- Lack of markets and economic viability; and
- Perhaps most relevant, the increasing frequency of mobile crushing of construction/demolition waste and re-use on-site, leading to a significant reduction in suitable material. The increasing use of demolition material in-situ is a reflection of the realisation by the construction industry that on-site use of material is a cost saving and is the environmentally responsible way of recycling.

6.12 QPANI believe that on site recycling is now much more common but given the availability of more detailed recycling information from the quarry industry and Government Construction Clients it is clear that reuse and recycling is being optimised in Northern Ireland. We also believe that the information contained in the Northern Ireland 2008 Construction, Demolition and Excavation Waste (CDEW) Report[2] does not give the full picture as to CDEW totals to landfill. On page three under sub total 2 the material used, 345,399 tonnes, for landfill engineering or restoration should be viewed as reused or recycled.

[2] http://www.ni-environment.gov.uk/niea_2008_cdew_report-2.pdf

6.13 ALCS Update - Judgement of the EU General Court on 9 September 2010
A judgement delivered on 9 September 2010 by the EU General Court (formerly known as the Court of the First Instance) supported the BAA/ Healy Brothers Ltd/David K Trotter and Sons Ltd[3] case and annulled the European Commission decision of 7 May 2004 to support the Northern Ireland aggregates levy relief scheme. The judgement was in essence that the Commission in giving its approval to the levy relief scheme had not carried out a full enough assessment of the related State Aid issues. The UK Government is now in discussion with the European Commission to consider the way forward.

6.14 For further information and latest update please confer with QPANI (contact details Appendix 2).

[3] http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:62004A0359:EN:HTML

7. Aggregate Production in Northern Ireland

7.1 The local quarry products industry is the main supply chain into the local construction industry with approximately 25 million tonnes of aggregate produced annually. Approximately 25% of this (6 million tonnes) is exported in the form of aggregates and processed products into construction markets in the Republic of Ireland (RoI) and Great Britain (GB). Of the remaining 19 million tonnes an estimated 60% (10 million tonnes) would be supplied to the public sector in Northern Ireland.

7.2 In 2007 the DETINI mineral statement indicated that total aggregate production in NI was 29,513,187 tonnes and in 2008 was 23,071,834 tonnes giving a reduction of over 6 million tonnes. A 22% drop. The preliminary figures given to QPANI by DETINI for 2009 show a further reduction to 19.4 million tonnes. The lowest figure since DETINI recording began and the lowest figure many estimate since the mid 1980s.

YEAR	TOTAL ANNUAL TONNAGE	TOTAL VALUE (before tax)	AVERAGE EX-QUARRY PRICE OF AGGREGATE (before tax)
1995	22,120,000	£55,982,000	£2.53
1996	25,113,409	£63,325,000	£2.52
1997	21,591,000	£55,533,000	£2.57
1998	22,356,000	£58,989,000	£2.64
1999	22,791,000	£59,982,000	£2.63
2000	24,033,000	£64,285,000	£2.67
2001	26,211,000	£74,820,000	£2.85
2002	23,523,000	£74,522,000	£3.17
2003	23,481,000	£83,115,000	£3.54
2004	25,739,000	£88,841,000	£3.45
2005	27,668,147	£108,876,093	£3.94
2006	25,529,914	£92,912,257	£3.64
2007	29,513,187	£125,005,952	£4.24
2008	23,071,834	£103,439,425	£4.48
2009	19,432,481	£56,234,344	£2.89

Table 4: Average Quantity Produced and Average Selling Price of Aggregates in Northern Ireland
Source: *Department Enterprise, Trade and Investment; Minerals Branch (Annual Mineral Statements 1995 – 2009).*

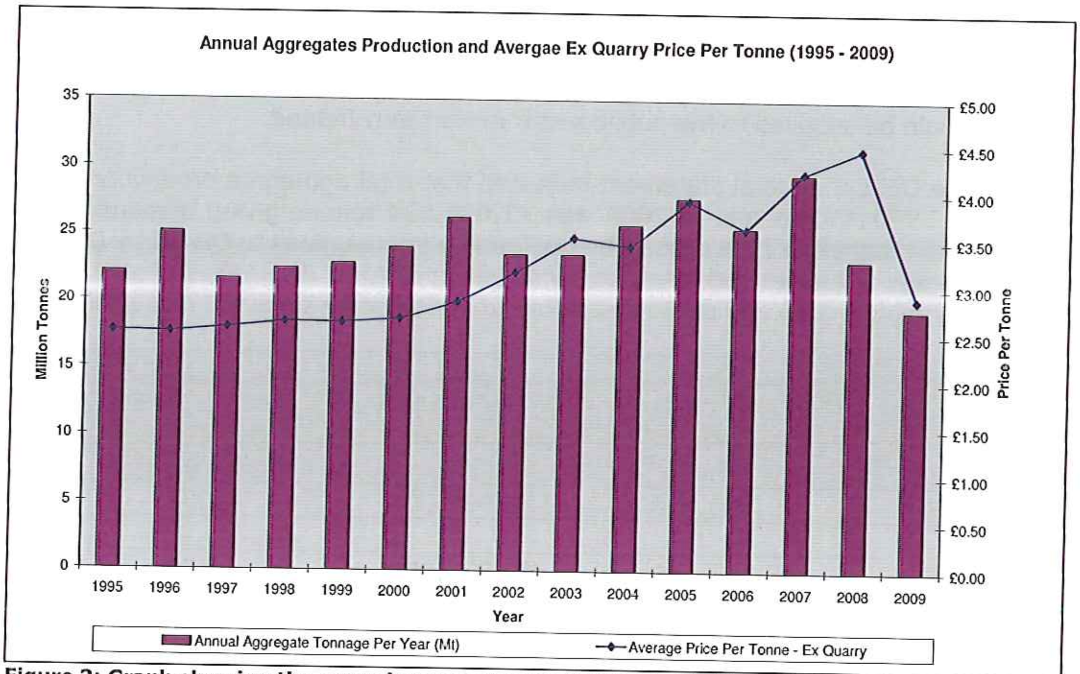

Figure 2: Graph showing the annual aggregates production in Northern Ireland plotted against the average price per tonne (ex-quarry, before tax).

Commodity	Quantity Produced per year (Million Tonnes)
Basalt and Igneous Rocks (excluding Granite)	6.9 Mt
Sandstone	5.6 Mt
Limestone	4.9 Mt
Sand & Gravel *Circa 1.5Mt of sand & gravel is annually extracted from Lough Neagh*	5.7 Mt
Others (rock salt, chalk, dolomite, fireclay and granite)	1.7 Mt

Table 5: Average quantity of aggregates produced per year in Northern Ireland

8. Northern Ireland's geology, distribution and production of aggregates

8.1 Northern Ireland geology is, for such a relatively small area, is very diverse. There is tremendous variability in the types of naturally occurring rock that may be used as aggregate. The simplest classification is based on whether they are of igneous (basalt, granite, dolerite), sedimentary (clays, chalk, sandstone, limestone, shale, greywacke) or metamorphic (schist).

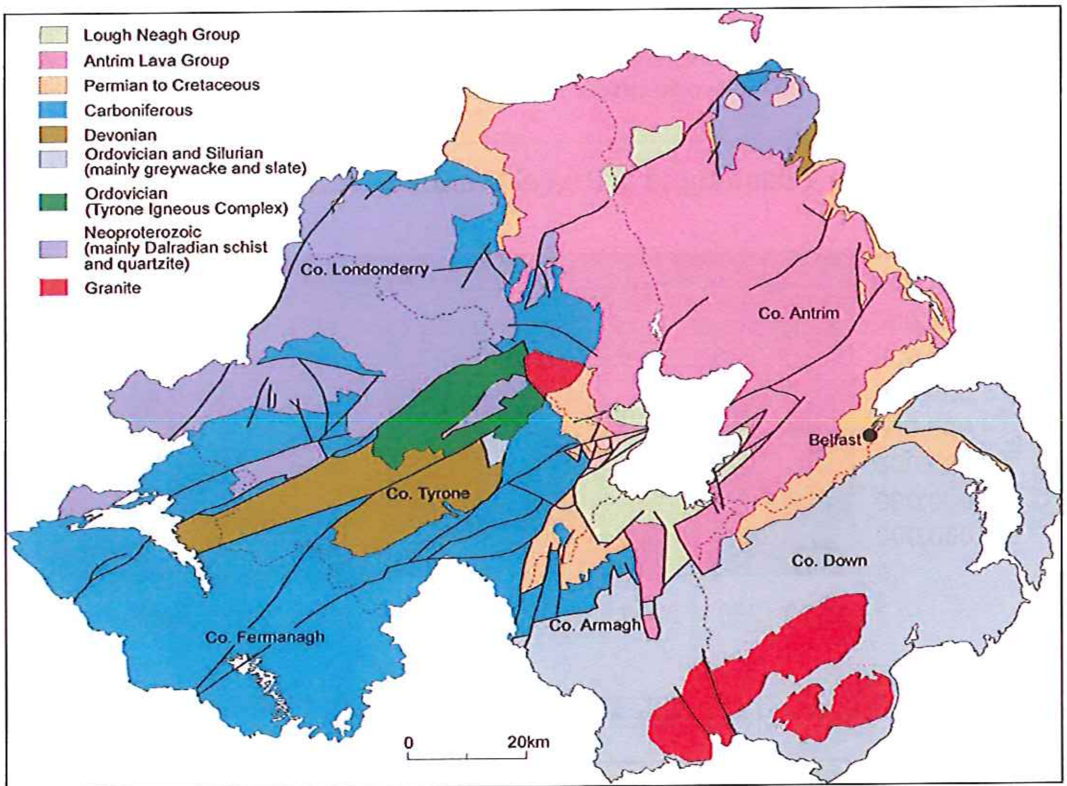

Figure 3: Basic geology map of Northern Ireland's bedrock.

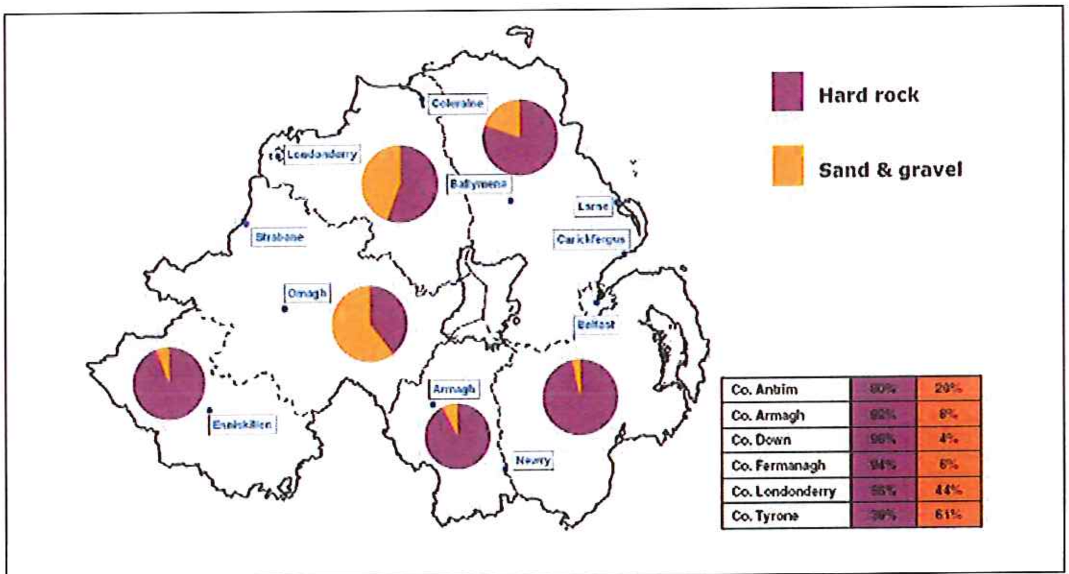

Figure 4: Map of Northern Ireland's six counties showing the production of hard rock and sand & gravel attributable to the local geology.

8.2 Sand and Gravel

Sand and gravel deposits formed at the end of the last ice age between 10,000 to 13,000 years ago. As the glaciers began to melt, the material they had eroded was transported into large glacial lakes where it was deposited to form the typically well-sorted fluvio-glacial deposits that characterise the Northern Ireland landscape today. Sand and gravel sources are found in County Tyrone and Londonderry (Sperrin Mountains regions) and in County Down (Kilkeel area). In 2008, Northern Ireland produced over 7Mt of sand and gravel primarily use in the building industry, falling to an all time low in 2009. Around 1.5Mt is extracted from sand deposits in Lough Neagh by six licensed operators. Ownership of the bed of the Lough belongs to Shaftesbury Estate (since 1600s) and licensed holders pay a royalty on tonnage.

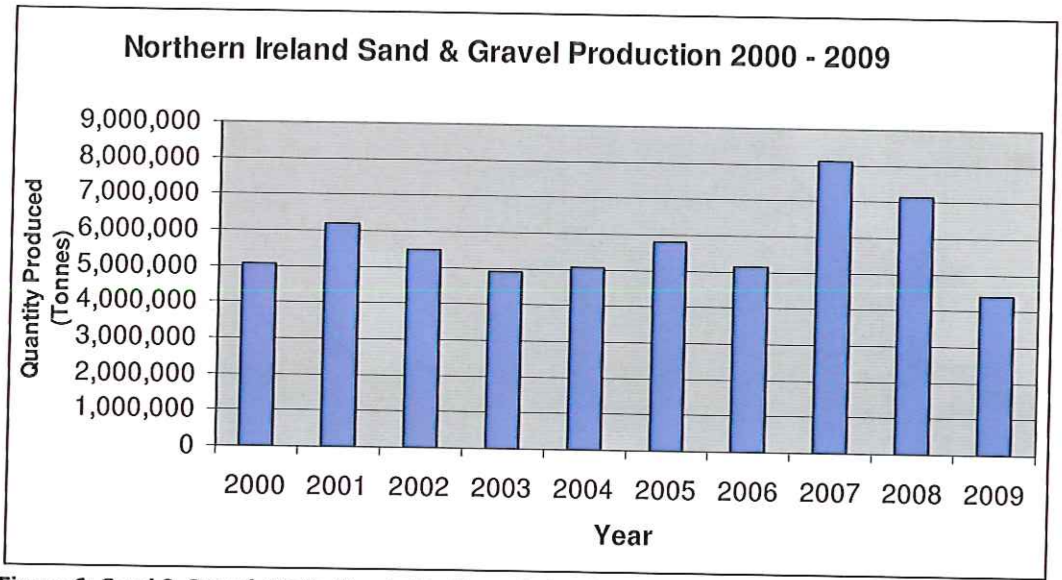

Figure 6: Sand & Gravel Production in Northern Ireland 2000 to 2009

Year	Quantity Produced (tonnes)	Value (£s)	Price per tonne (ex-quarry)	Total Employed*
2000	5,073,000	13,664,000	£2.69	282
2001	6,194,344	19,128,803	£3.09	427
2002	5,512,365	17,179,212	£3.12	366
2003	4,893,829	19,138,568	£3.91	445
2004	5,083,825	19,592,047	£3.85	500
2005	5,802,851	25,631,850	£4.42	581
2006	5,149,714	19,643,439	£3.81	247
2007	8,086,379	37,847,910	£4.68	492
2008	7,133,719	26,671,301	£3.74	289
2009	4,414,754	9,641,496	£2.18	TBC
Average	**5,734,478 tonnes**	**£20,813,863**	**£3.55 per tonne**	**403**

** Directly involved in extraction.* ** Circa 1.5Mt of sand is extracted from Lough Neagh

Table 5: Sand & Gravel production figures (2000 – 2009)

Source: Department Enterprise, Trade and Investment; Minerals Branch (Annual Mineral Statements 2000 – 2009).

8.3 Limestone

Limestone deposition occurred at three main times during Northern Ireland's geological past. The oldest Dalradian limestones have all been metamorphosed to marble and may have dimension stone potential. The most limestones formed during the Lover Carboniferous in Co. Fermanagh. The youngest limestones are a special variety known as chalk and produce a very high purity product; there are three active chalk quarries in the province. Limestone is quarried for used in the production of concrete as well as the agricultural industry. Minor occurrences of high magnesium (dolomitic) limestone are quarried to counteract magnesium deficiencies in livestock. In 2008, over 3.7Mt of limestone was extracted, a drop in recent production figures.

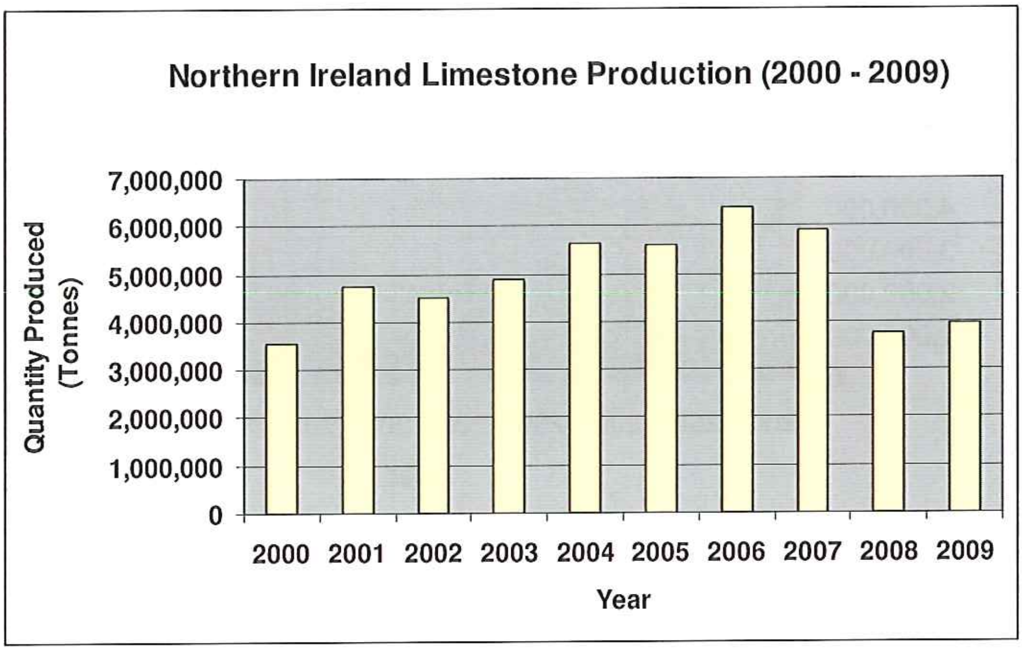

Figure 7: Limestone Production in Northern Ireland from 2000 to 2009

Year	Quantity Produced	Value (£s)	Price per tonne (ex-quarry)	Total Employed
2000	3,538,000	8,872,000	£2.51	184
2001	4,746,128	11,543,166	£2.43	173
2002	4,513,796	11,684,677	£2.59	212
2003	4,886,566	14,399,626	£2.95	195
2004	5,633,781	15,519,698	£2.75	207
2005	5,588,013	18,147,909	£3.25	204
2006	6,384,728	22,598,248	£3.54	225
2007	5,904,479	22,553,000	£3.82	225
2008	3,739,469	18,151,956	£4.85	302
2009	3,972,114	14,791,097	£3.72	TBC
Average	**4,890,707**	**£15,826,138**	£3.24	**214**

Table 6: Limestone production figures (2000 – 2009) ** Directly involved in extraction*
Source: Department Enterprise, Trade and Investment; Minerals Branch (Annual Mineral Statements 2000 – 2009).

8.4 Basalt

The basalts of the Antrim Lava Group are worked for their aggregates potential, particularly within the road building industry. As a typically uniform, fine-grained, hard, dark rock it has many of the properties necessary for use in the transportation network. Around 7Mt of basalt is produced from well situated quarries, mostly in Co. Antrim.

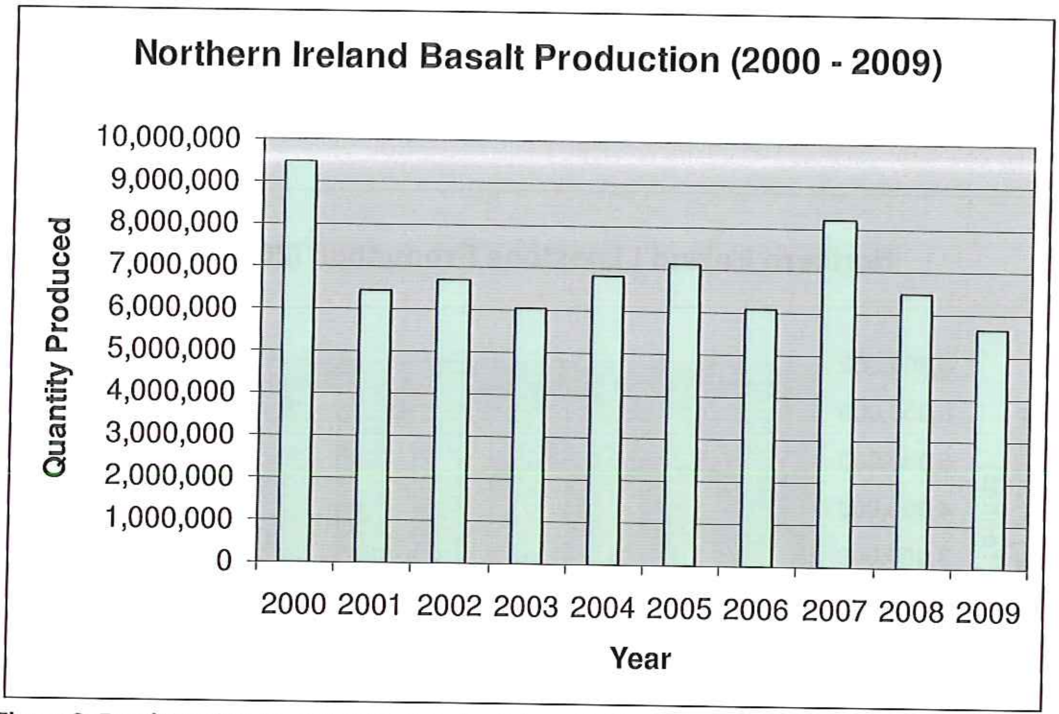

Figure 8: Basalt Production in Northern Ireland from 2000 – 2009

Year	Quantity Produced (Tonnes)	Value (£s)	Price per tonne (ex-quarry)	Total Employed*
2000	9,480,000	25,208,000	£2.66	527
2001	6,448,243	18,157,782	£2.82	368
2002	6,681,063	21,472,388	£3.21	353
2003	6,051,018	23,069,022	£3.81	372
2004	6,844,361	23,867,101	£3.49	366
2005	7,111,640	24,073,650	£3.39	292
2006	6,086,719	20,028,756	£3.29	214
2007	8,225,149	33,037,038	£4.02	355
2008	6,480,646	28,640,936	£4.42	471
2009	5,647,678	20,237,143	£3.58	TBC
Average	**6,905,652**	**£23,779,182**	**£3.47**	**369**

Table 7: Basalt production figures (2000 – 2009)

** Directly involved in extraction*

Source: Department Enterprise, Trade and Investment; Minerals Branch (Annual Mineral Statements 2000 – 2009).

8.5 Sandstone (includes Gritstone)

Sandstone includes the Silurian greywackes (or gritstone) of Counties Armagh and Down. Northern Ireland's greywackes have a high polished stone and aggregate abrasion values, making them a particularly good source of wearing course aggregate. In 2008 Northern Ireland produced over 3.7MT of sandstone chiefly used in the construction and maintenance of our road networks. This shows a fall in recent production figures; however QPANI members report that exports figures remain steady. Approximately 600,000 tonnes of High PSV Gritstone is exported annually.

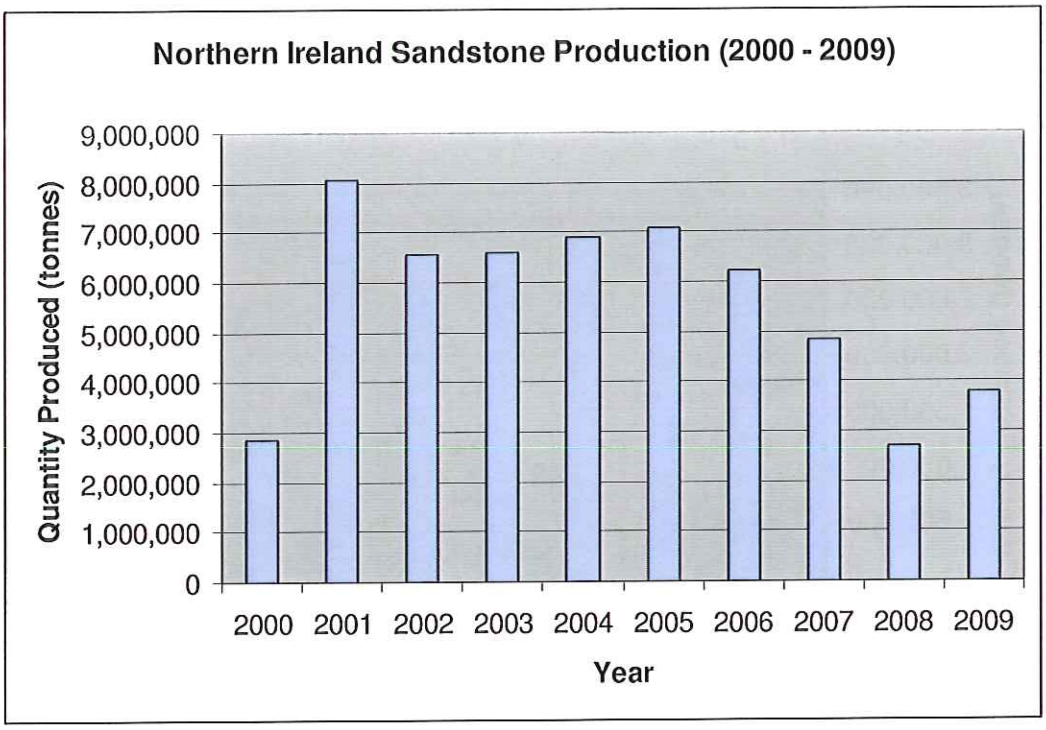

Figure 9: Sandstone Production in Northern Ireland (2000 – 2009)

Year	Quantity Produced (Tonnes)	Value (£s)	Price per tonne (ex-quarry)	Total Employed*
2000	2,844,000	6,148,000	£2.16	127
2001	8,070,000	24,216,632	£3.00	347
2002	6,574,000	22,891,729	£3.48	336
2003	6,594,000	21,490,920	£3.26	339
2004	6,915,000	25,288,884	£3.66	345
2005	7,076,000	30,996,616	£4.38	290
2006	6,211,000	22,815,325	£3.67	312
2007	4,828,000	21,514,209	£4.46	310
2008	2,696,712	12,298,753	£4.56	318
2009	3,793,103	14,879,582	£3.92	TBC
Average	**5,560,182**	**£20,254,065**	**£3.66**	**303**

Table 8: Sandstone production figures (2000 – 2009) ** Directly involved in extraction*

Source: Department Enterprise, Trade and Investment; Minerals Branch (Annual Mineral Statements 2000 – 2009).

8.6 Others (rock salt, chalk, diatomite, fireclay and granite...)

A number of other commodities are extracted from quarries in Northern Ireland, including granite from the Mourne Mountains in Co. Down, schist from the Mesoproterozoic in Co. Tyrone and slate from the Lower Palaeozoic rocks of Counties Armagh and Down.

N.B. Production figures for rock salt, chalk, diatomite, fireclay and granite, have been combined into "others" to avoid disclosure of confidential information.

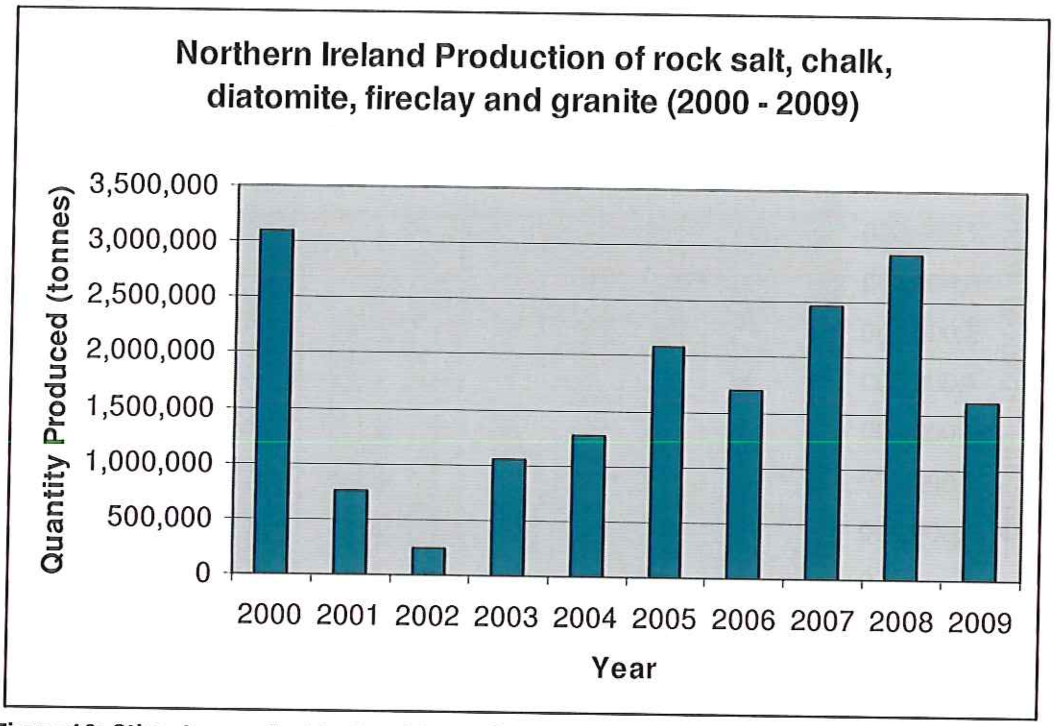

Figure 10: Other Aggregates Produced in Northern Ireland from 2000 to 2009

Year	Quantity Produced (Tonnes)	Value (£s)	Price per tonne (ex-quarry)	Total Employed*
2000	3,098,000	10,393,000	£3.35	404
2001	752,884	1,773,125	£2.36	286
2002	241,787	1,294,126	£5.35	113
2003	1,055,014	5,016,399	£4.75	291
2004	1,265,974	4,578,887	£3.62	276
2005	2,089,562	10,026,068	£4.80	288
2006	1,697,574	7,826,487	£4.61	448
2007	2,468,607	10,053,460	£4.07	613
2008	2,931,288	17,676,479	£6.03	417
2009	1,604,832	9,641,496	£6.01	TBC
Average	**1,720,552**	**£7,827,953**	**£4.50**	**348**

Table 9: Others (rock salt, chalk, diatomite, fireclay and granite...)

** Directly involved in extraction.*

Source: Department Enterprise, Trade and Investment; Minerals Branch (Annual Mineral Statements 2000 – 2009).

9. Northern Ireland Planning System

9.1 The Department of the Environment (DoE) is responsible for planning control in Northern Ireland. The Planning Service, an Agency within the Department, administers its planning functions. All minerals related applications are dealt with by the Special Studies Team in the 'Minerals Unit', located in the Planning Services Headquarters at Millennium House, Belfast. Minerals Unit has been operating since the mid-1970s when Planning Service recognised that mineral planning is a specialised area for land use planning and needs specifically trained staff. QPANI has a good working relationship with the staff in the Minerals Unit.

9.2 **Mineral Planning History**

The majority of quarries operating in Northern Ireland when the Planning Service was formed in 1973 did not have specific planning permission and operated under permitted development rights granted under the Planning (Interim General Development) Order (NI) 1944. The Planning (General Development) Order (NI) 1973 sought to rectify this situation by providing in Class 13 of Schedule 1 to that Order that the permitted development rights for mining undertakers only applied for one year from 1st October 1973. In effect, any quarry which wished to continue to operate beyond that date was to apply for planning permission. A number of planning permissions were then given during the 1970s and 1980s.

9.3 The definition of minerals in planning legislation includes '*all minerals and substances in or under land of a kind ordinarily worked for removal by underground or surface working except that it does not include turf cut for purposes other than sale*'. Mineral Planning Policy for Northern Ireland is primarily contained in two documents the Regional Development Strategy 2025 and the Planning Strategy for Rural Ireland.

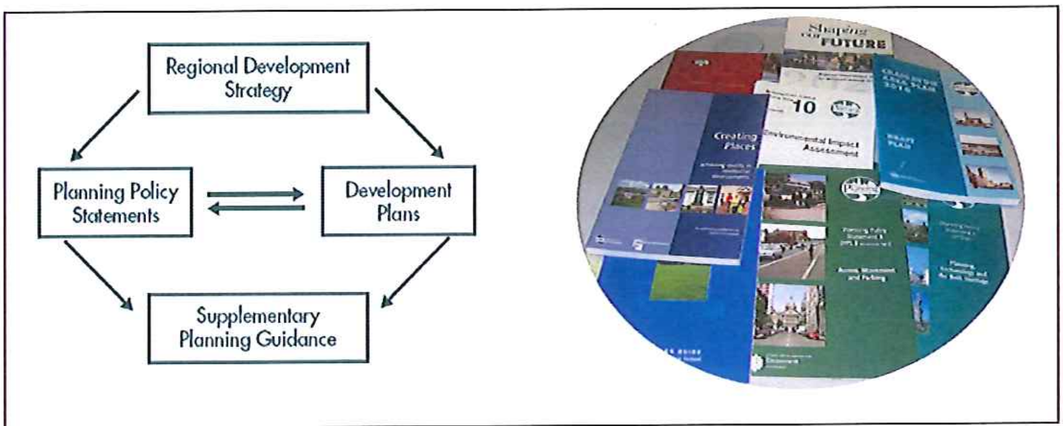

Figure 11: Main documents used by the department in considering a planning application

9.4 **<u>Regional Development Strategy 2025</u>**

The Regional Development Strategy[4] (RDS), 'Shaping Our Future', is a strategy for the development of Northern Ireland up to 2025. It contains a Spatial Development Strategy and related Strategic Planning Guidelines which provide the planning context for:

- Strengthening the competitiveness of the regional economy and tackling social and economic disadvantage;
- Protecting and enhancing the physical, natural and man-made assets of the Region;

[4] http://www.planningni.gov.uk/index/policy/regional_dev.htm

- Housing, transport, air and water quality, energy and waste strategies, and for infrastructure providers and public service providers; and
- Development plans and for guiding public and private investment decisions relating to land use.

9.5 The Regional Development Strategy's chapter on rural Northern Ireland refers to the "*use minerals for economic development in a sustainable manner and in a way which assesses the need to exploit the mineral resource against the need to protect and conserve environmental resources*". This overarching statement requires mineral use to be sustainable and to balance mineral need with environmental protection.

9.6 **Planning Policy Statements (PPS)**

Planning Policy Statements[5] (PPS) contain policies on land-use and other planning matters, for example nature conservation or the built heritage, and apply to the whole of Northern Ireland. They set out the main planning considerations that the Department takes into account in assessing proposals for the various forms of development and are also often relevant to the preparation of development plans.

The guiding principle that the Department observes in making decisions on planning applications is set out in PPS 1 'General Principles'. This states that development should be permitted, having regard to the development plan and all other material considerations, unless it would cause demonstrable harm to interests of acknowledged importance.

9.7 **Planning Strategy for Rural Northern Ireland**

PPSs are gradually replacing the policy provisions of the Planning Strategy for Rural Northern Ireland[6] published in September 1993 and each PPS indicates those policies of the Strategy that it is superseding. In the meantime, the Planning Strategy remains in force for those topics not covered by a PPS. Minerals is not covered by a PPS, and current policy is contained in the Planning Strategy for Rural Northern Ireland, which state eight polices to guide mineral applications.

Policy Guidance for Minerals

Policy MIN 1 Environmental Protection
To assess the need for the mineral resource against the need to protect and conserve the environment.

Policy MIN 2 Visual Impacts
To have regard to the visual implications of minerals extraction.

Policy MIN 3 Areas of Constraint
To identify Areas of Constraint on Mineral Developments.

Policy MIN 4 Valuable Minerals
Applications to exploit minerals, limited in occurrence and with some uncommon or valuable property.

Policy MIN 5 Mineral Reserves
Surface development which would prejudice future exploitation of valuable mineral reserves will not be permitted.

Policy MIN 6 Safety and Amenity
To have particular regard to the safety and amenity of the occupants of developments in close proximity to mineral workings.

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[5] http://www.planningni.gov.uk/index/policy/policy_publications/planning_statements.htm
[6] http://www.planningni.gov.uk/index/policy/policy_publications/rural_strategy.htm

Policy MIN 7 Traffic
To take account of the safety and convenience of road users and the amenity of persons living on roads close to the site of proposed operations.

Policy MIN 8 Restoration
To require mineral workings to be restored at the earliest opportunity.

Table 10: Policy Guidance for Minerals (Planning Strategy for Rural Northern Ireland, 1993)

9.8 Development Plans

Below this strategic level, mineral planning policy at local level is guided by Development Plans. Development plans[7] may be in the form of area plans, local plans or subject plans. By and large there are a suite of draft or adopted plans in place across the province. They apply the regional policies of the Department at the appropriate local level. Development plans inform the general public, statutory authorities, developers and other interested bodies of the policy framework and land use proposals that will be used to guide development decisions within their local area.

The development plan is therefore the primary means of evaluating and reconciling any potential conflict between the need for development and the need to protect the environment within a particular area. In making its decisions on planning applications the Department must take into account the relevant provisions of the development plan for the area.

9.9 Supplementary Planning Guidance

The Department also prepares planning guidance to supplement, clarify or illustrate by example its policy statements and plans. It also includes a set of Development Control Advice Notes[8] (DCAN) that explain the criteria and technical standards that the Department considers when dealing with specific categories or particular aspects of development. No DCAN are specifically related to the extractive industry with the important exception of DCAN 10: Environmental Impact Assessment.

[7] http://www.planningni.gov.uk/index/policy/dev_plans.htm
[8] http://www.planningni.gov.uk/index/policy/supplementary_guidance/dcans.htm

10. Issues with the current planning system for mineral operators

10.1 QPANI work on industries behalf to ensure that Northern Ireland has an efficient and fit for purpose mineral planning system. However, we consider that Planning Service has not delivered the benefits and outcomes that the industry would wish for and leave the industry at a disadvantage to GB and ROI.

10.1.1 QPANI has six chief areas of criticism regarding the current planning system:

- **High cost of mineral planning application fees in Northern Ireland.**
- **Lack of a Planning Policy Statement for Minerals in Northern Ireland.**
- **No implementation of Permitted Developments Rights for the industry.**
- **No Minerals Mapping or Safeguarding Programme underway in Northern Ireland.**
- **Supply and demand statistics are needed.**
- **Retention of planning skills and minerals experience within the Special Studies Unit and other departments.**

10.2 High cost of mineral planning application fees in Northern Ireland.

10.2.1 The fees paid by applicants for planning permission are designed to offset or cover the costs incurred in processing these applications through the process known as development management. QPANI has made a comparison of mineral planning application fees against our neighbouring administrations - England, Wales, Scotland and the Republic of Ireland.

10.2.2 Looking specifically at the Class Fees for the *"Winning and working of minerals"* and similarly Class Fees for the *"Use of land for the disposal of waste"* it is evident that the Northern Ireland quarrying industry is paying double the fees than Great Britain and Republic of Ireland have to pay for their planning applications. Planning Service NI charges £355 per 0.1 ha while in England it is £170, Wales is £166, Scotland is £145. Differences apply in the maximum fee cap, with Scotland being capped at the lowest £21,750 (here it is capped at a max £38400). For example, a planning application fee for 8h extraction in Northern Ireland would cost £28,400 compared to £11,600 in Scotland and considerably less in the Republic of Ireland. (Refer to APPENDIX 1: Planning Application Fee Comparisons on page 26).

10.2.3 Planning application fees have increased by 2.9%[9], this came into effect on 4th October 2010. QPANI reacted angrily to the 15%[10] fee increase in August 2009, originally proposed at 20%.

10.2.4 In March 2010 Planning Service Internal Auditors declared a miss-calculation of fees in mineral applications halting over thirty live validated applications in the system, instigating a fees-recovery protocol and bringing in a new fee calculating structure without any consultation with the industry.

10.2.5 The 2010 in-year increase of 2.9% has taken place whilst Planning Service is carrying out a comprehensive Review of Planning Fees and Charges. The objective of the Review is to have a fees structure which, as far as possible, achieves full cost recovery for permitted services, thereby reducing the future burden on tax/ratepayers arising from the need to subvent the provision of planning services and provides a

[9] http://www.opsi.gov.uk/sr/sr2010/nisr_20100294_en_1

[10] http://www.planningni.gov.uk/index/news/news_policy/common-policy-legislation-feesineffect.htm

level of service in line with performance set out in PSA targets. The Review will produce further proposals for changes to planning fees for public consultation in the autumn, to come into operation in the 2011/12 financial year, subject to Assembly scrutiny. QPANI consider that application fees in respect of the mineral industry are totally unjustified.

10.3 Lack of a Planning Policy Statement for Minerals in Northern Ireland.

10.3.1 Northern Ireland lacks up-to-date policy in the form of a PPS on minerals. A draft document (PPS 19 Minerals) had been in preparation since 2001 and a stakeholder's group established, but other departmental priorities have resulted in a final version being delayed. QPANI have continually pressed for a contemporary Minerals PPS to be brought forward. On some issues, Consultees defer to guidance in English and Welsh mineral policy statements.

10.3.2 QPANI have been a key advocate and stakeholder in the development of PPS19, to create a sustainable aggregates industry that will continue to be responsible and deliver essential materials to meet the needs of a growing and vibrant economy. We believe it is essential that the PPS19 is published without any further delay and it encompasses a clear strategy on developing mineral planning in Northern Ireland.

10.4 No implementation of Permitted Developments Rights for the industry.

10.4.1 Operators in Northern Ireland do not benefit from permitted development rights similar to that in England and Wales. Permitted development rights ("PD rights") are provided by the Planning (General Development) Order (Northern Ireland) 1993 (S.R. 1993. No.278), ("the GDO"). The GDO allows certain, often minor or non-contentious, types of development to proceed without the need for a planning application. PD rights help reduce the number of planning applications the Northern Ireland Planning Service receive and the regulatory burden of the planning system.

10.4.2 *To* date, limited Permitted Development (PD) Rights exist for the Minerals in The Planning (General Development) Order (Northern Ireland) 1993 (known as 'the GDO'). The GDO allows certain, often minor or non-contentious, types of development to proceed without the need for a planning application. QPANI have been in discussions with the Policy and Legislation Unit in Planning Service since 2005, however we were satisfied when all our recommendations to the ENTEC UK Limited DoE's Review of PD report in late 2008 had been included in the 2009 Consultation Paper Review of Non-Householder Permitted Development Rights[11].

10.4.2 QPANI was delighted that the suggested changes to the GDO we made to ENTEC has been published in the Consultation Paper providing sufficient grounds to reform the GDO in this area, bringing the Northern Ireland Minerals Industry into line with our counterparts in England and Wales. This allows operators greater freedom when conducting minor operations, thus improving their efficiency.

10.4.3 QPANI's argument for PD rights for the minerals industry in Northern Ireland:

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11 http://www.planningni.gov.uk/index/news/news_consultation/news_consultations_pdrights_nonhouseholder_211009.htm

The PD Rights for Mineral Operations will have many positive impacts on the industry:

- Reduce the application costs for operations
- Allows for greater efficiency in operation at existing sites
- Reduce PS case load, allowing greater attention to be paid to major applications
- Increase efficiency & development on mineral sites should boost NI economy
- Supports the importance the Planning Strategy for Rural NI places upon the value of minerals to the economy
- Encourages quick responses to operational matters (e.g. Health, Safety & Environmental issues)
- Still retains control over potential impacts on biodiversity or neighbouring issues

Source: QPANI 2009

10.4.4 QPANI replied positively to the Consultation that closed on 22nd January 2010. However, PD rights are held up in the comprehensive programme of reform for the planning system under the Review of Public Administration (RPA). Planning reform incorporates a range of medium to long-term measures designed to address all the key management elements of the planning system including development plans, policy and development management. The NI Executive agreed to the final policy proposals for reform of the planning system in February 2010, including the measures necessary to transfer the majority of planning functions to the new District Councils under the RPA. At a special meeting of the Northern Ireland Executive on 14th June, Executive Ministers were not able to come to an agreement on the way forward for local government reform, which means the new councils will not be created in May 2011 as had previously been envisaged under RPA, nor will functions such as planning be transferred to them at that point. PD rights are therefore delayed in the midst of rolling out RPA, yet again to the disappointment and disparity to the mineral industry.

10.4.5 *"Our members find themselves in the appalling situation where they are incurring what our now routinely increased planning fees, clearly to cover the cost of an inefficient service, when clearly identified opportunities exist to reduce the planning burden and attended costs by introducing legislation on permitted development for example. To carry these increased costs when they are in survival mode is unacceptable."*

10.5 No Minerals Mapping or Safeguarding Programme underway in Northern Ireland.

10.5.1 It is of immense disappointment that Northern Ireland does not have a Minerals Mapping and Safeguarding Programme underway, setting us apart from the rest of the UK. Northern Ireland is now being asked more and more, at the UK Minerals Forum and by Europe in the EU Raw Materials Initiative[12], for information relating to the sustainable use of our aggregates, volumes of consented aggregates, annual usage and volumes of aggregates available for future use. Unfortunately we in Northern Ireland are not in a position to supply all of the requested information.

10.5.2 QPANI has repeatedly lobbied DoE gaining support from The Northern Ireland Assembly Committees to make monies available for Planning Service to commence on the mapping programme. DoE did secured monies in the September Monitoring

[12] http://ec.europa.eu/enterprise/policies/raw-materials/index_en.htm

Round 2009 to progress by employing the British Geological Survey (BGS) to prepare the desk survey that would ensure that accurate baseline information will be available to ensure sound decision making by everyone involved in the winning, use and protection of our natural resources and sustainably manage the future supply of construction aggregates. However, Planning Service cut their budget in late 2009 and considered the Minerals Mapping Programme as non-essential work. This was to the sincere dismay of the QPANI and the industry.

10.5.3 QPANI has met with the Minster for the Environment to review the funding of the Programme especially in light of the current departmental cuts. We believe that a Minerals Mapping Programme financed over three years would be a small expenditure to department resulting in huge benefits to the Minerals Unit in Planning Service and various stakeholders.

10.6 Supply and demand statistics are needed.

10.6.1 There is no provision for aggregate landbanks, no preferred areas or areas of search are identified in development plan documents and no national or regional guidelines for aggregate provision exists over a projected period of time. Statistical information on supply and demand at regional level is also absent, resulting in mineral planning following a bottom-up approach.

10.6.2 Areas of Constraint on Mineral Developments (ACMDs) are identified and designated through the development plan process. ACMDs are designated in order to safeguard the most valuable and vulnerable areas and features of the environment from the detrimental effects of mineral extraction. Their designation has taken account of nature conservation and earth science interest, the archaeological and built heritage, landscape quality and character and visual prominence. In such areas there is a presumption against the grant of permission for extraction or processing of minerals (Policy MIN 3 Areas of Constraint). However, the designation of such areas is primarily based on environmental criteria, to the exclusion of any analysis of aggregate supply and demand. Consequently, the whole process of site promotion and justification is removed for the minerals planning system in Northern Ireland.

10.7 Retention of planning skills and minerals experience within the Special Studies Unit and other departments.

10.7.1 Mineral Planners in Northern Ireland are Civil Servants employed by a single central government planning authority the Planning Service. Following a Review of Public Administration (RPA) it was envisaged that by May 2011 the vast majority of all development management decisions would be returned to locally elected councils. However, RPA has now been deferred. QPANI has lobbied that Minerals Unit is still held centrally to retain the planning skills and minerals skills, we highlighted the need for the experienced staff within the minerals unit to be <u>retained</u> as it is commonly accepted within the Department that it takes a considerable period of time for a planning officer to be trained in Minerals Planning.

10.7.2 Unfortunately over the past number of years there has been a decline in minerals experience within the unit with staff leave to join the private sector, further to this is the high number of junior staff members in the Minerals Unit. Planning Service has also faced massive cuts and are redeploying over a third of their employees to other departments. This could affect the Minerals Unit, the retention of their skilled and experienced staff to the detriment of the minerals industry planning applications.

11. Conclusion

11.1 Our submission aims to provide information to assist the OFT in its study, providing an overview of the Northern Ireland aggregates industry, the planning system and detailing industry's concerns and issues with mineral planning and policy, or in reality the severe lack of significant planning and policy in line with the rest of the UK.

11.2 QPANI lobbies and works to protect our member's interests and license to operate. We promote environmental and safety best practice to ensure the sustainable future of our members operations. We consider we have a good working relationship with the NI Assembly and government departments. QPANI is participating extensively in the Better Regulations Programme, and to date we have found it a real opportunity to develop a useful partnership between the regulatory system and industry sectors.

11.3 We welcome the opportunity to contribute to the OFT Market Study and would like to make our time available to OFT for anything further we can provide. Contact details of QPANI and key departments are listed in Appendix 2.

APPENDIX 1: Comparison of Planning Application Fees in the UK and Ireland

Class	Northern Ireland	England	Wales	Scotland	Republic of Ireland (County Councils)
Winning and working of minerals	£1,775 for each 0.5 hectare of the site area subject to a maximum of £38,400	Not more than 15 ha - £170 for each 0.1 ha. More than 15 ha - £25,315 + additional £100 for each 0.1 in excess of 15 ha up to a max of £65,000	Not more than 15 ha - £166 for each 0.1. More than 15 ha - £24,852 + £84 for each 0.1 ha (or part thereof) in excess of 15 ha up to a max of £65,000	£145 for each 0.1 ha - to a maximum of £21,750	€50.00 per 0.1 ha of site. Minimum fee €500.00. Maximum Permission Fee - €38,000.
Use of land for disposal of waste	£1,775 for each 0.5 hectare of the site area subject to a maximum of £38,400	Not more than 15 ha - £170 for each 0.1 ha. More than 15 ha - £25,315 + additional £100 for each 0.1 in excess of 15 ha up to a max of £65,000	Not more than 15 ha - £166 for each 0.1. More than 15 ha - £24,852 + £84 for each 0.1 ha (or part thereof) in excess of 15 ha up to a max of £65,000	£145 for each 0.1 ha - to a maximum of £21,750	€50.00 per 0.1 ha of site. Minimum fee €500.00. Maximum Permission Fee - €38,000.

Class	Northern Ireland	England	Wales	Scotland	Republic of Ireland (County Councils)
Erection, alteration or replacement of plant and machinery	£237 for each 0.1 hectare of the site area subject to a maximum of £11,834	Not more than 5 ha - £335 for each 0.1 hectare. More than 5 ha - £16,565 + additional £100 for each 0.1 ha in excess of 5 ha to a max of £250.000.	Not more than 5 ha - £335 for each 0.1 ha. More than 5 ha - £16,464 + additional £84 for each 0.1 ha (or part thereof) in excess of 5 ha to a max of £250,000.	£290 for each 0.1 ha of the site areas, subject to a max of £14,500	Number of Classes: **Class 4** 'Other buildings' €3.60 per sqm per gross floor space to be provided. Minimum €80.00. **Class 8** 'The provision of tanks/structures for storage purposes' €50 per 0.1 ha of site. Minimum Fee €200.00. **Class 13** 'Development not coming within any of the foregoing classes' €10 per 0.1 ha of site. Minimum €80.00.

APPENDIX 2: Industry Contacts in Northern Ireland

Quarry Products Association NI (QPANI)
Unit 10 Nutts Corner Business Park
Dundrod Road
Crumlin
BT29 4SR

Contact: Gordon Best, Regional Director
Tel: 028 90824078
Email: GBest@qpani.org

Geological Survey of Northern Ireland (GSNI)
Colby House
Stranmillis Court
Belfast
BT9 5BF

Contact: [redacted], Mineral Geologist
Tel: 028 90388462
Email: [redacted]

Special Studies Unit - Planning Service Headquarters
Millennium House
17-25 Great Victoria Street
Belfast
BT2 7BN

Tel: (028) 9041 6700

Contact: John Cummins, Strategic Projects Manager
Email: john.cummins@doeni.gov.uk
Contact: Billy McCabe, Principal Planning Officer
Email: billy.mccabe@doeni.gov.uk

Aggregates Levy Credit Scheme
Climate and Waste Division 6th Floor
Goodwood House
44 - 48 May Street
Belfast
BT1 4NN

Tel: 028 90254828

Contact: Maureen Chambers
Email: Maureen.chambers@doeni.gov.uk
Contact: Brian O'Neill
Email: Brian.O'Neill@doeni.gov.uk

QPA
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www.qpani.org

Aggregate Production in Northern Ireland

Aggregates or construction materials quite literally form the building blocks of modern industrial society. Construction projects rely on locally available sources of aggregate for concrete production and our entire transportation network would not exist without the input of local materials. In addition, aggregate products are also used in water treatment plants and drainage/sewerage systems and specialised aggregates are necessary for the chemical industry.

Quarrying is an essential part of modern society and aggregates are a vital resource for economic growth and development, making a significant contribution to Northern Ireland's prosperity and quality of life not least in helping to create and develop sustainable communities.

It is importance that there is an adequate supply of raw materials to provide the infrastructure, buildings and goods that society, industry and the economy needs.

The Government believes that Northern Ireland needs an active and efficient construction industry to secure its future economic and social development as emphasised in the Department for Regional Development Strategy for Northern Ireland 2015 acknowledging that *"today's society requires construction aggregates and without such minerals there would be very little development"*

Facts & Figures about our Industry

- Average Annual Aggregate Production 25 million tons
- Annual Turnover of Quarry Products sector- approx. £430m
- (3% of NI GDP)
- Employment – over 3,750 jobs directly
- We invest some £874 per employee in Health and Safety and £902 per employee in environmental issues
- Without the quarry products industry the Investment Strategy for NI of £18 billion will not happen.

Why is it important to consider aggregate resources in planning?

- **We need aggregates**: 14 tonne + per year for each of us
- **Availability**: Mineral deposits are not evenly distributed and there are often imbalances between where the demands for aggregates arise and where the resources are located.
- **Access**: Extraction may be constrained by consideration of such matters as urban and rural landscapes, amenity, and nature conservation.
- **Quality**: not all rocks are created equally; they vary in quality according to their chemical, physical and mineralogical properties – linked to specific markets for example high quality roadstone.

Aggregates Industry in Northern Ireland

As a result of its varied geology, Northern Ireland has a diverse aggregates base upon which the construction industry has developed. There are around 180 active quarries and pits extracting material primarily for the local market. The primary products extracted include sand and gravel, basalt, sandstone (including greywacke) and limestone. Most quarries are operated by family-owned businesses, but a number are larger and part of multi-national companies.

The local quarry products industry is the main supply chain into the local construction industry with approximately 25 million tonnes of aggregate produced annually. Approximately 25% of this (6 million tonnes) is exported in the form of aggregates and processed products into construction markets in the RoI and GB. Of the remaining 19 million tonnes an estimated 60% (10 million tonnes) would be supplied to the public sector in Northern Ireland. The industry currently employs approximately 3750 people, mainly in rural areas, and in areas designated by Government as targeting social need (TSN). At the beginning of 2008 the industry employed 5000 people giving a 25% reduction in employment levels in just over a year. In 2007 the DETINI mineral statement indicated that total aggregate production in NI was 29,511tonnes and in 2008 was 22,981 tonnes giving a reduction of 6581 tonnes. A 22% drop.

Table1: Average Quantity Produced and Average Selling Price of Aggregates in Northern Ireland

	Quantity Produced per year (Million Tonnes)	**Selling Price (£'000)**
Basalt and Igneous Rocks (excluding Granite)	6.7 Mt	24,043
Sandstone	6.1 Mt	22,689
Limestone	5.1 Mt	16,825
Sand & Gravel*	6 Mt	23,104
Others (rock salt, chalk, dolomite, fireclay and granite)	1.6 Mt	7,281

* *Circa 1.5Mt of sand & gravel is annually extracted from Lough Neagh*

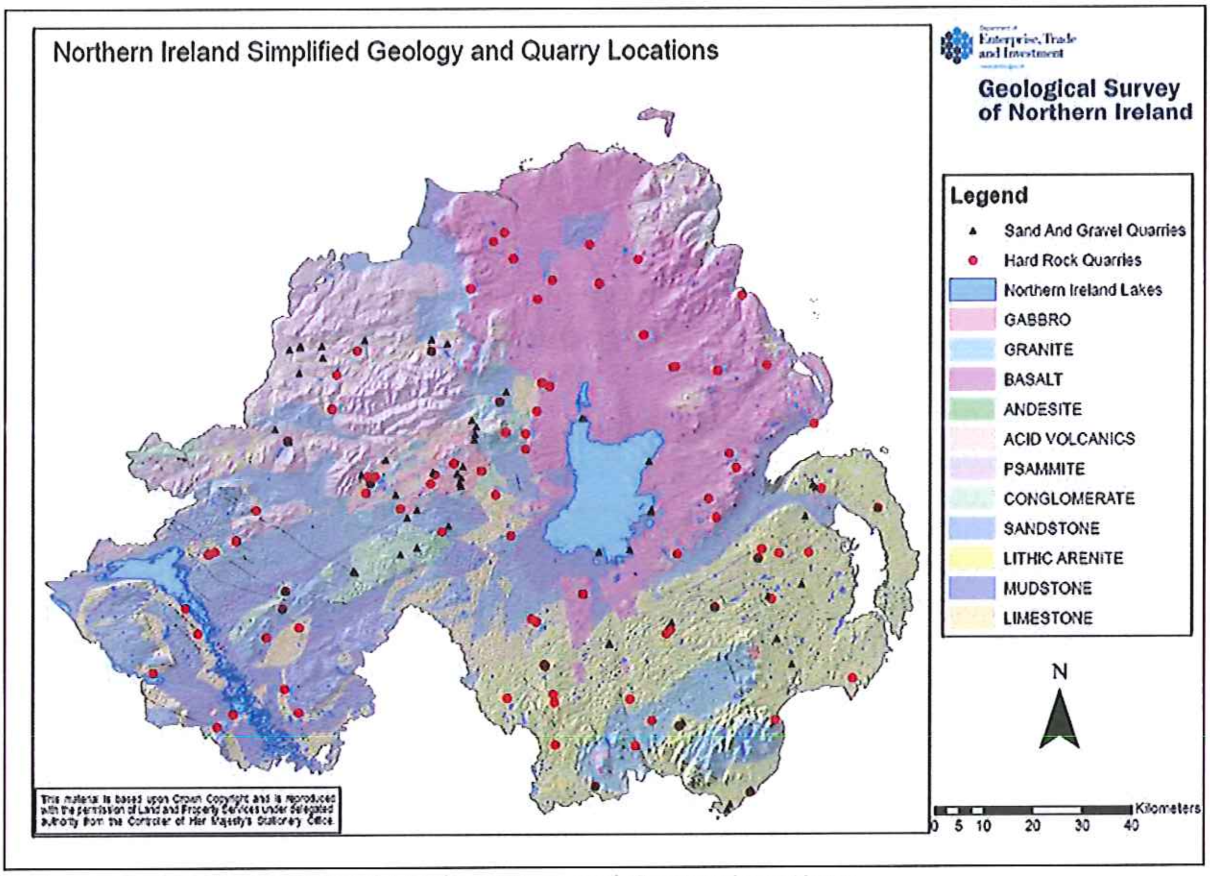

Figure 2: Northern Ireland Geology Map and Quarry Locations

Minerals Statements

Each year, around February the Minerals Branch in Geological Survey of Northern Ireland on behalf of the Department of Enterprise, Trade and Investment collects industry data and publishes an Annual Mineral Statement – Mined under the Mines Act 1969 and Quarries (NI) Order 1983.

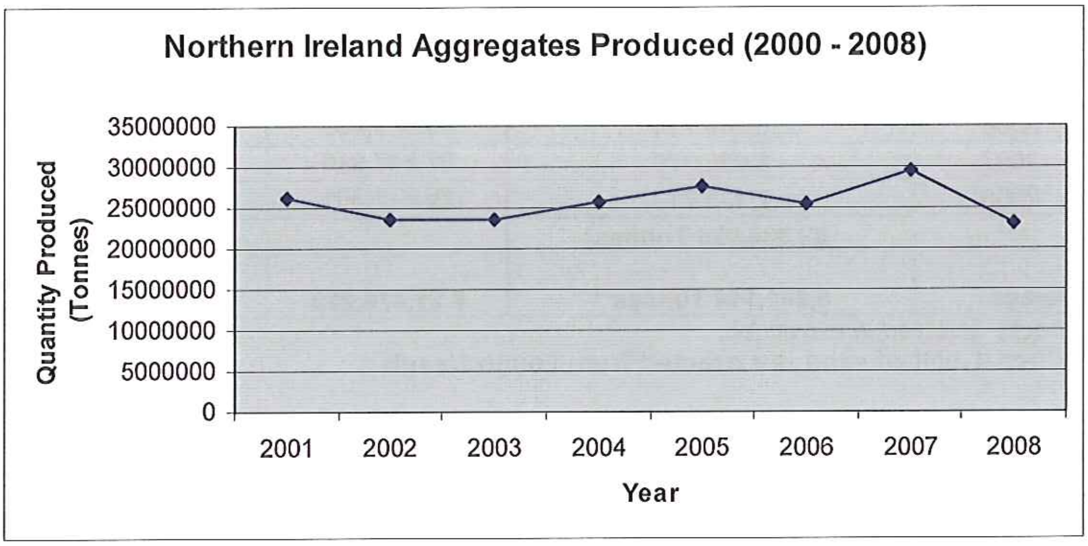

Figure 3: Aggregates produced in Northern Ireland from 2000 to 2008.

Sand and Gravel

Sand and gravel deposits formed at the end of the last ice age between 10,000 to 13,000 years ago. As the glaciers began to melt, the material they had eroded was transported into large glacial lakes where it was deposited to form the typically well-sorted fluvio-glacial deposits that characterise the Northern Ireland landscape today. In 2008, Northern Ireland produced over 7Mt of sand and gravel primarily use in the building industry.

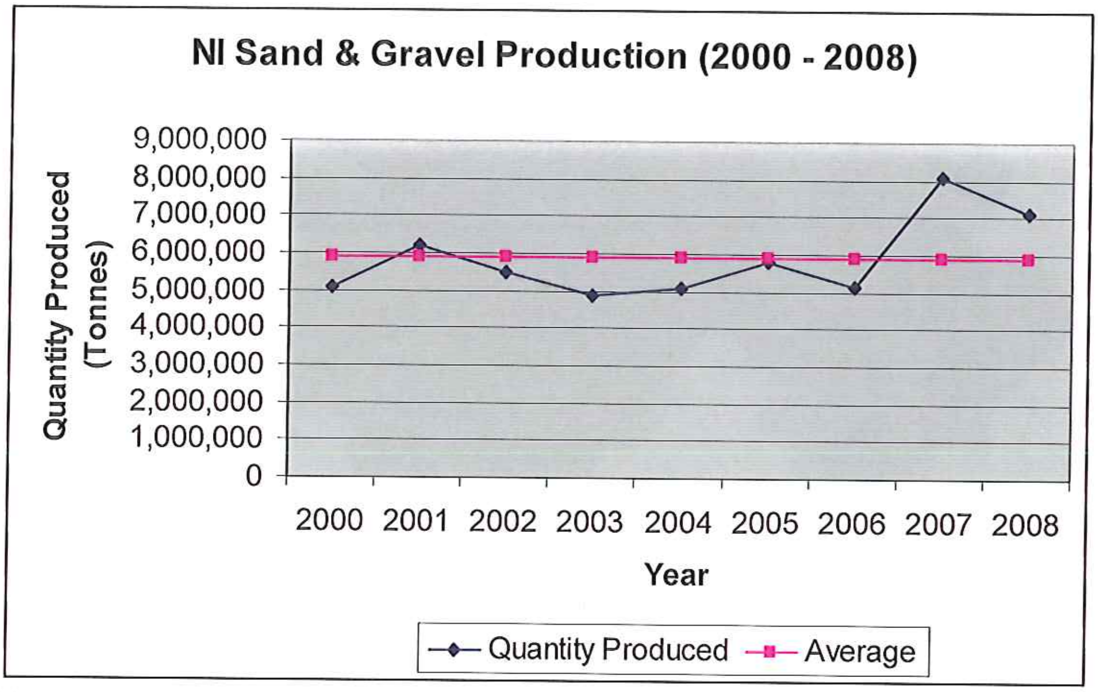

Figure 4: Sand & Gravel Production in Northern Ireland 2000 to 2008

Table 2: Sand & Gravel

Year	Quantity Produced	Value (£s)	Total Employed*
2000	5,073,000	13,664,000	282
2001	6,194,344	19,128,803	427
2002	5,512,365	17,179,212	366
2003	4,893,829	19,138,568	445
2004	5,083,825	19,592,047	500
2005	5,802,851	25,631,850	581
2006	5,149,714	19,643,439	247
2007	8,086,379	37,847,910	492
2008	7,133,719	26,671,301	289
	52,930,026 Tonnes		
Average	**5,881,114 Tonnes****	**£ 21,478,229**	**403**

** Directly involved in extraction.*

** Circa 1.5Mt of sand is extracted from Lough Neagh

Source: Department Enterprise, Trade and Investment; Minerals Branch (Annual Mineral Statements 2000 – 2008).

Limestone

Limestone deposition occurred at three main times during Northern Ireland's geological past. The oldest Dalradian limestones have all been metamorphosed to marble and may have dimension stone potential. The most limestones formed during the Lover Carboniferous in Co. Fermanagh. The youngest limestones are a special variety known as chalk and produce a very high purity product. Limestone is quarried for used in the production of concrete as well as the agricultural industry. Minor occurrences of high magnesium (dolomitic) limestone are quarried to counteract magnesium deficiencies in livestock. In 2008, over 3.7Mt of limestone was extracted, a drop in recent production figures.

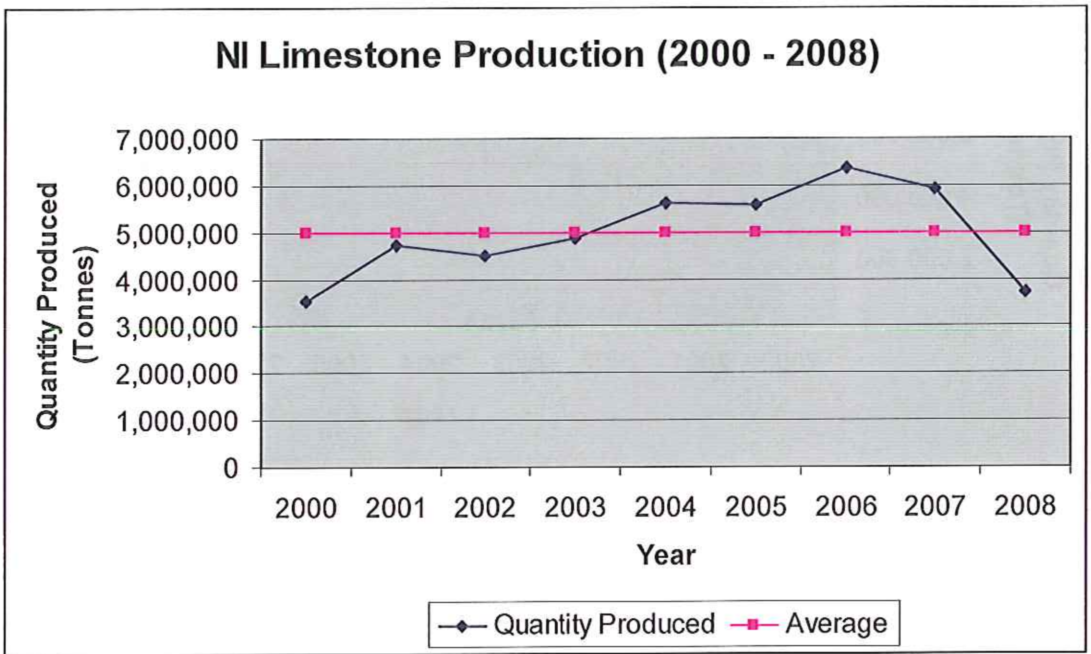

Figure 5: Limestone Production in Northern Ireland from 2000 to 2008

Table 3: Limestone

Year	Quantity Produced	Value (£s)	Total Employed
2000	3,538,000	8,872,000	184
2001	4,746,128	11,543,166	173
2002	4,513,796	11,684,677	212
2003	4,886,566	14,399,626	195
2004	5,633,781	15,519,698	207
2005	5,588,013	18,147,909	204
2006	6,384,728	22,598,248	225
2007	5,904,479	22,553,000	225
2008	3,739,469	18,151,956	302
	44,934,960 Tonnes		
Average	**4,992,773 Tonnes**	**£15,941,142**	**214**

** Directly involved in extraction.*

Source: Department Enterprise, Trade and Investment; Minerals Branch (Annual Mineral Statements 2000 – 2008).

Basalt

The basalts of the Antrim Lava Group are worked for their aggregates potential, particularly within the road building industry. As a typically uniform, fine-grained, hard, dark rock it has many of the properties necessary for use in the transportation network. Around 7Mt of basalt is produced from well situated quarries, mostly in Co. Antrim.

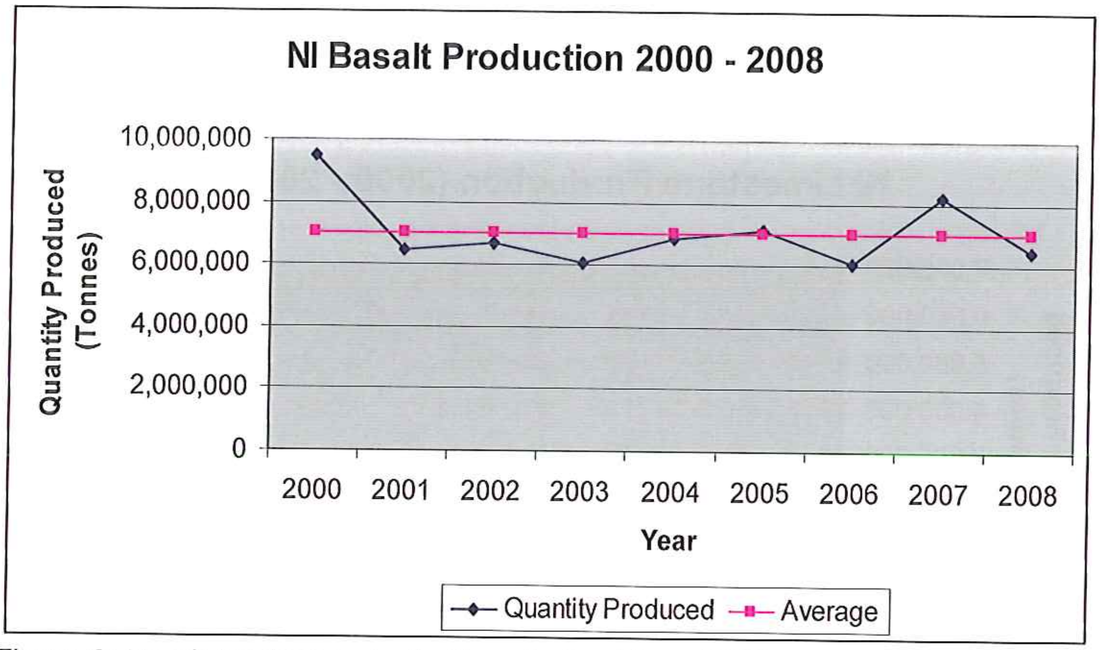

Figure 6: Basalt Production in Northern Ireland from 2000 – 2008

Table 4: Basalt

Year	Quantity Produced (Tonnes)	Value (£s)	Total Employed*
2000	9,480,000	25,208,000	527
2001	6,448,243	18,157,782	368
2002	6,681,063	21,472,388	353
2003	6,051,018	23,069,022	372
2004	6,844,361	23,867,101	366
2005	7,111,640	24,073,650	292
2006	6,086,719	20,028,756	214
2007	8,225,149	33,037,038	355
2008	6,480,646	28,640,936	471
	63,408,839		
Average	**7,045,427**	**£24,172,741**	**369**

** Directly involved in extraction.*

Source: Department Enterprise, Trade and Investment; Minerals Branch (Annual Mineral Statements 2000 – 2008).

Sandstone (includes Gritstone)

Sandstone includes the Silurian greywackes (or gritstone) of Counties Armagh and Down. These have high polished stone and aggregate abrasion values, making them a particularly good source of wearing course aggregate. In 2008 Northern Ireland produced over 2.6MT of sandstone mostly for use in the roads industry. This show a fall in recent production figures.

Approximately 600,000 tonnes of High PSV Gritstone is exported annually.

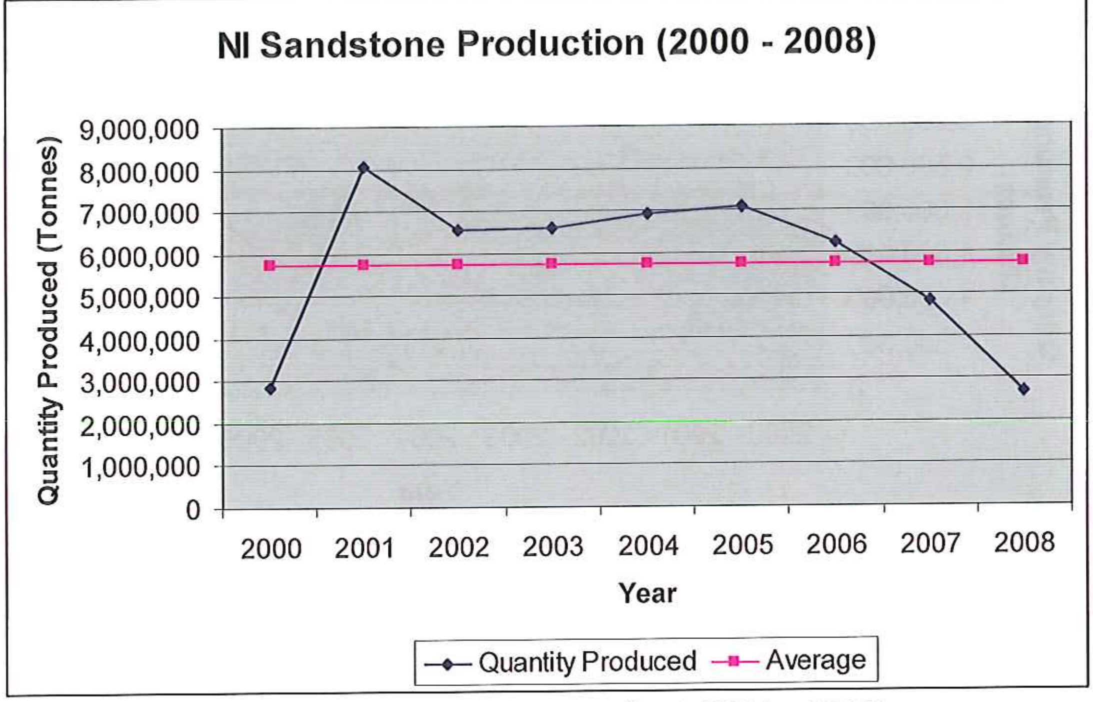

Figure 7: Sandstone Production in Northern Ireland (2000 – 2008)

Table 6: Sandstone

Year	Quantity Produced	Value (£s)	Total Employed*
2000	2,844,000	6,148,000	127
2001	8,070,000	24,216,632	347
2002	6,574,000	22,891,729	336
2003	6,594,000	21,490,920	339
2004	6,915,000	25,288,884	345
2005	7,076,000	30,996,616	290
2006	6,211,000	22,815,3257	312
2007	4,828,000	21,514,209	310
2008	2,696,712	12,298,753	318
Total	**51,808,712 Tonnes**		
Average	**5,756,524 Tonnes**	**£43,666,556**	**303**

** Directly involved in extraction.*

Source: Department Enterprise, Trade and Investment; Minerals Branch (Annual Mineral Statements 2000 – 2008).

Others (rock salt, chalk, diatomite, fireclay and granite...)

A number of other commodities are extracted from quarries in Northern Ireland, including granite from the Mourne Mountains in Co. Down, schist from the Mesoproterozoic in Co. Tyrone and slate from the Lower Palaeozoic rocks of Counties Armagh and Down.

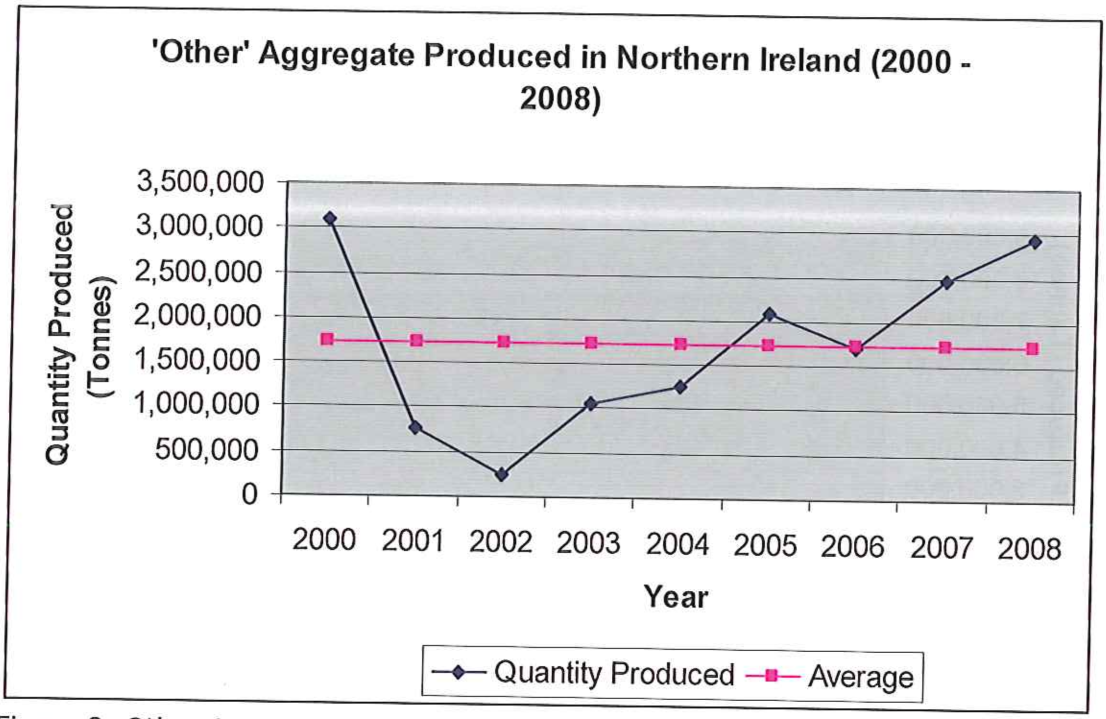

Figure 8: Other Aggregates Produced in Northern Ireland from 2000 to 2008

Table 7: Others (rock salt, chalk, diatomite, fireclay and granite...)

Year	Quantity Produced	Value (£s)	Total Employed*
2000	3,098,000	10,393,000	404
2001	752,884	1,773,125	286
2002	241,787	1,294,126	113
2003	1,055,014	5,016,399	291
2004	1,265,974	4,578,887	276
2005	2,089,562	10,026,068	288
2006	1,697,574	7,826,487	448
2007	2,468,607	10,053,460	613
2008	2,931,288	17,676,479	417
Total	**15,600,690**		
Average	**1,733,410**	**£7,626,448**	**348**

** Directly involved in extraction.*

NB: Production figures for rock salt, chalk, diatomite, fireclay and granite, have been combined into "others" to avoid disclosure of confidential information.

Source: Department Enterprise, Trade and Investment; Minerals Branch (Annual Mineral Statements 2000 – 2008).

[redacted]

From: [redacted](DETI)
Sent: 23 April 2014 11:35
To: [redacted]
Cc: [redacted](DETI); [redacted](DETI); [redacted](DETI); [redacted]
Subject: RE: TRIM folder - re: Annual Mineral Statement - renaming of TRIM Folder. Update of Position on Review of collection of statistics on NI Mineral Production and Forward Look

Hi All cc MAPB Colleagues
GSNI colleagues
NISRA colleagues
[redacted] HSENI (concerning enforcement)

RE:
TRIM folder - re: Annual Mineral Statement - renaming of TRIM Folder.
Update of Position on Review of collection of statistics on NI Mineral Production and
FORWARD LOOK

Having read this e-mail, I would be pleased to hear from all recipients where they need to comment, or seek further information or clarification.

Annual Mineral Statement - renaming of TRIM Folder
The new TRIM Folder should be renamed as below

DETI Container DT18/140/20/12/Minerals & Geological Survey DETI - Minerals - Quarries - Possible NISRA takeover of Quarries Annual Returns (QARs). The reason for this requested change is as below.

It is essential to differentiate between -

(1) Annual Mineral Statement (AMS)
information published by DETI/MAPB under the Mineral Development Act (Northern Ireland) 1969 ("the MDA 1969"),
section 50(1) which requires DETI (the successor department to the Ministry of Commerce)) to publish an Annual Mineral Statement
(that work currently will continue to be part of MAPB Annual Branch Plan work)

and

(2) Quarries Annual Return (QAR)
The collection of statistics on NI Mineral Production (on a calendar year basis) from Northern Ireland Quarries under
the Quarries (Northern Ireland) Order 1983, Article 18(1). This work may be transferred to NISRA on or after 1st January 2015.
(At present it is envisaged that MAPB will collect [outstanding] QARs during 2014)

Update of Position on Review of collection of statistics on NI Mineral Production

Background as at April 2014

QARs are currently sought by DETI/MAPB under Article 18(1) of the Quarries (Northern Ireland) Order 1983 ("the 1983 Order").
Work on QARs was suspended [in 2013] suspended pending the outcome of a Review that was to given to me to undertake.

That Review is not yet finished. Currently NISRA (April 2014) has agreed in principle to collect these statistics, subject to a detailed consideration of what would be required by NISRA by way of underpinning authority (legislation or, in broad terms administrative direction by DETI with perhaps the agreement of DFP – the parent Department of NISRA.

Draft Minute (Agreed Actions) of that 16 April 2014 Meeting have been circulated for comment and amendment.

Legislation Position

Statistics of Trade and Employment (Northern Ireland) Order 1988 (" SoT legislation")
It is possible that NISRA may be able to collect current NI Mineral Production statistics under the above-named and hyperlinked legislation.

Quarries (Northern Ireland) Order 1983 ("the 1983 Order")
Where the SoT legislation is found not to be appropriate and subject, NISRA colleagues at a meeting on 16 April 2014 have indicated they would be willing to administer (collect such statistics) on behalf of DETI.

Other proposed changes
GSNI collection of geological data
In addition it is important that as part of this Review we also need consider the needs of GSNI to collect geological data and its NI publication [GSNI is considering the possibility of producing an Annual Report on such geological data)

In particular it may be very prudent to be very clear as to the relevant legal support for the collection of such data. This may be -

(1) under a specific provision of - or perhaps grounded on - NI legislation - the Minerals (Miscellaneous Provisions) Act (Northern Ireland) 1959 ("the 1959 Act") or

(2) The collection of such statistics it may be –an identifiable and separate component part of a **Service Level Agreement (SLA)** – between DETI and NERC of which BGS (who provide the GSNI staff) is itself a component part. See (legal status) below
    Legal Status
    British Geological Survey (BGS) is a component part of the Natural Environment Research Council (NERC) and it is its principal supplier of national capability in geoscience(s) NERC –the BGS parent body – was confirmed by Royal Charter as a result of the Science and Technology Act 1965 ("the 1965 Act") – this appears to be a UK-wide Act - because it is silent with respect to its extent. See in particular section 1

FORWARD LOOK
For information – possible way forward for action between MAPB and NISRA (April to June 2014)

Immediate for consideration
It is possible that this might be achieved administratively under the 1983 Order by way of an exchange of formal letters at Senior Management Level between DETI and DFP.

Short-term activity:
Impact assessment – NI Better Regulation Strategy (Red Tape Challenge)

However, in light of the NI Better Regulation Strategy – in particular that component called Red Tape Challenge requiring that where possible we should seek to lighten the burden on business - it would be appropriate to ensure before re-starting the collection of such statistics that we (DETI/DFP/NISRA) has in place [documented] a robust and defensible decision for the continuing collection of such statistics no matter under what legislation or what administrative procedures are used.

So it may be prudent to undertake a screening (in or out) Regulatory Impact Assessment. Further thought and discussion on this point will be required [between MAPB and NISRA].

Medium-term **(2015 to 2020)**
it would be for consideration between interested NI Departments (at the least, DETI, DFP and OFMdFM) and their relevant Agencies (HSENI [its parent Department DETI]: it being the enforcing authority for the 1983 Order) whether there **is a need to either transfer or share** the function of prescribing particulars and collection of the statistics from DETI to DFP.

Subject to such consideration and agreement with legal advisers (DSO and OLC) this may be deliverable by way of a Transfer of Functions Order for which OFMdFM is responsible.

[redacted]
MAPB
[redacted]

From: [redacted]
Sent: 17 April 2014 12:59
To: [redacted]
Cc: [redacted] (DETI)
Subject: RE: TRIM folder - re: Annual Mineral Statement

Cheers [redacted]
I have input all [redacted] emails to me and rob and my replies etc to this folder.
Thank you
[redacted]

From: [redacted]
Sent: 17 April 2014 12:07
To: [redacted]
Cc: [redacted] (DETI); [redacted]
Subject: TRIM folder - re: Annual Mineral Statement

Hi all,

For information:

A new folder has been opened in TRIM titled 'Possible NISRA takeover of Annual Minerals Statement'

This can be found:

DETI Container DT18/140/20/12/Minerals & Geological Survey DETI - Minerals - Quarries - Possible NISRA takeover of Annual Minerals Statement

Kind regards

[redacted]

[redacted]
Minerals and Petroleum Branch
Department of Enterprise, Trade & Investment
Colby House
Stranmillis Court, Stranmillis Road
Belfast, BT9 5BJ
[redacted]
Web: www.detini.gov.uk

Please consider the environment - do you really need to print this e-mail?

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted] [redacted]

[redacted]

From:	[redacted] (DETI)
Sent:	23 May 2014 10:09
To:	[redacted]
Subject:	RE: Salt

[redacted]

Thanks for picking that up

[redacted]

From: [redacted]
Sent: 23 May 2014 10:02
To: [redacted]
Cc: [redacted] (DETI); [redacted] (DETI); [redacted]
Subject: Salt

[redacted]
Grateful if you would let me know the date of the figures you have. The Annual Minerals Statement to 2008 are in the public domain and can be used, but anything after that date we are seeking advice as to potential release.

Happy to discuss.

Regards
[redacted]

[redacted]
Minerals and Petroleum Branch
Department of Enterprise, Trade & Investment
Colby House
Stranmillis Court, Stranmillis Road
Belfast, BT9 5BF
Tel: 028 9038 8446 (ext: 82646)
TextRelay: 18001 028 9038 8446
Web: www.detini.gov.uk

From: [redacted] (DETI)
Sent: 23 May 2014 09:00
To: [redacted] (DETI); [redacted]
Cc: [redacted] (DETI)
Subject: FW: Salt

Can MAPB advise [redacted] on the use of production figures?

Thanks

[redacted]

From: [redacted] (DETI)
Sent: 22 May 2014 17:34

To: [redacted] (DETI)
Subject: FW: Salt

From: [redacted] [mailto:[redacted]
Sent: 22 May 2014 15:24
To: GSNI
Subject: Salt

Hi

I am not sure who I contact at GSNI regarding permission to use some data from your archives. I have been asked to write about the Salt Industry in Carrickfergus for The Journal of the Mining Heritage Trust of Ireland and wish to use the production figures which I obtain from you a few years ago.

Perhaps you can let me know whether I can get permission via e mail or whether a proper letter is required vis 'snail mail'.

Many thanks

[redacted]

[redacted]

From: [redacted]
Sent: 26 May 2014 19:32
To: [redacted]
Cc: [redacted] (DETI); [redacted] (DETI); [redacted]
Subject: Re: Salt

Hi [redacted]

Thanks for prompt reply. The dates are from 1853 to 1958 so I assue I am able to use them.

[redacted]

On Friday, 23 May 2014, 10:01, [redacted] wrote:

[redacted]
Grateful if you would let me know the date of the figures you have. The Annual Minerals Statement to 2008 are in the public domain and can be used, but anything after that date we are seeking advice as to potential release.

Happy to discuss.

Regards
[redacted]

[redacted]
Minerals and Petroleum Branch
Department of Enterprise, Trade & Investment
Colby House
Stranmillis Court, Stranmillis Road
Belfast, BT9 5BF
[redacted]
Web: www.detini.gov.uk

Please consider the environment - do you really need to print this e-mail?

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Many thanks

[redacted]

[redacted]

[redacted]

From: [redacted]
Sent: 27 May 2014 09:53
To: [redacted]
Cc: [redacted] (DETI); [redacted] (DETI)
Subject: RE: Salt

[redacted]
As this information DETI would have no problem with you using them.
Regards
[redacted]

From: [redacted] [mailto:[redacted]
Sent: 26 May 2014 19:32
To: [redacted]
Cc: [redacted] (DETI); [redacted] (DETI); [redacted]
Subject: Re: Salt

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Many thanks

[redacted]

[redacted]

From: [redacted]
Sent: 13 June 2016 17:06
To: [redacted] (DETI); [redacted]
Cc: [redacted] (DfE); [redacted]
Subject: RE: REQUEST FOR ADVICE - Annual Minerals Statement

[redacted] thanks. [redacted] some time ago we responded to an AQ on this subject – we can revisit this and use it to inform the basis of an answer here – chat in the morning.

[redacted]

From: [redacted]
Sent: 13 June 2016 14:12
To: [redacted] (DETI); [redacted]
Cc: [redacted]
Subject: FW: REQUEST FOR ADVICE - Annual Minerals Statement

[redacted]

In the absence of [redacted] and [redacted] please see below.

[redacted]

[redacted]
Geological Survey NI / Minerals
Department for the Economy
Dundonald House
Upper Newtownards Road
Belfast, BT4 3SB
[redacted]
Web: www.economy-ni.gov.uk

NI Year of Food & Drink 2016

Please consider the environment - do you really need to print this e-mail?

From: [redacted]
Sent: 13 June 2016 14:10
To: [redacted]
Cc: [redacted] (PLANNING); [redacted]
Subject: RE: REQUEST FOR ADVICE - Annual Minerals Statement

[redacted]

This is something Minerals Branch DfE deal with. I've just spoken with [redacted] at Minerals Branch and I'm copying him in to this email to take forward.

[redacted]

From: [redacted]
Sent: 13 June 2016 13:44
To: [redacted]
Subject: REQUEST FOR ADVICE - Annual Minerals Statement

Guys,

Please see email below – could you please advise if this is something you have dealt with in the past?

Many thanks,

[redacted]

[redacted]
Strategic Planning & Environmental Governance

Email: [redacted]

[redacted]

From: [redacted]
Sent: 13 June 2016 12:27
To: [redacted]
Cc: [redacted]
Subject: Annual Minerals Statement

Dear [redacted]

Your predecessors for several years sent me the NI AMRI returns which I understand are required under *Article 18(1) of the Quarries (Northern Ireland) Order 1983 in respect of quarries operating in Northern Ireland.*

I have not seen any for a few years (since 2011) and wonder whether you could supply the most recent ones please.

regards
[redacted]

[redacted] Secretary
British Aggregates Association
10 Brookfields, Calver, Hope Valley
Derbyshire S32 3XB
[redacted]
(W) www.british-aggregates.co.uk

[redacted]

From: [redacted](DETI)
Sent: 14 June 2016 09:58
To: [redacted]
Cc: [redacted](DfE); [redacted]
Subject: RE: REQUEST FOR ADVICE - Annual Minerals Statement
Attachments: EIR Template 5 No requested information is being released draft 2104 26-5-15.pdf

[redacted]

[redacted] answered an EIR request on it from James Orr – see attached.

Is this what you are thinking about as I cannot recall a recent AQW?

[redacted]

From: [redacted]
Sent: 13 June 2016 17:06
To: [redacted](DETI); [redacted]
Cc: [redacted](DfE); [redacted]
Subject: RE: REQUEST FOR ADVICE - Annual Minerals Statement

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Sent: 13 June 2016 14:12
To: [redacted](DETI); [redacted]
Cc: [redacted]
Subject: FW: REQUEST FOR ADVICE - Annual Minerals Statement

[redacted]

In the absence of [redacted] and [redacted] please see below.

[redacted]

[redacted]
Geological Survey NI / Minerals
Department for the Economy
Dundonald House
Upper Newtownards Road
Belfast, BT4 3SB
[redacted]
Web: www.economy-ni.gov.uk

NI Year of Food & Drink 2016

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[redacted]

[redacted]
Strategic Planning & Environmental Governance

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Tel: [redacted]
Ext: [redacted]

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Sent: 13 June 2016 12:27
To: [redacted]
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