

10th September 2003
Nigel Griffiths MP
Minister for Construction
Department of Trade and Industry
1 Victoria Street
London
SW1H 0ET

Dear Minister

Welcome and congratulations on your recent appointment.

Thank you for your letter of 15th August inviting BAA to brief you on the main issues of concern to our members and the Association – and the actions required to ensure that our industry continues to provide the raw materials and the wealth for the needs of the country and the population. We would hope that this could be achieved with considerably less barriers to progress and reduced governmental bureaucracy to bring us more in line with other UK industry – and more comparative with other EU countries.

BAA represents the interests of over 50 privately-owned and independent quarry companies throughout the UK operating out of over 100 individual sites with some 10% of national aggregate output. Some of our members also have asphalt and ready-mix concrete facilities and/or operate landfill sites. We were formed in late 1999 and our membership has grown steadily. We also have some 15 associate members who provide the industry with services.

Our main concerns are:

1. **Need and Access.** There is still an undercurrent that UK needs could and should be met totally by imports - and our "green and pleasant land" left alone! This is openly stated at senior level in ODPM – even for aggregates! We see worrying trends in other sectors such as vein mineral extraction in National Parks without a clear DTI support for the industry, and are concerned that this trend will spread. We understand that DTI thinking has moved away from regarding minerals as a *strategic need* and should only be considered as of *economic importance*. We are concerned that this apparently does not include employment or downstream value as key factors!
There are also immediate current concerns over further restrictions and potential sterilisation of resource.
 - The **Water Bill** in its present form does not reflect the intentions of the Environment Agency, will stop long term investment in many mines and quarries, be disadvantageous to SMEs – and appears superfluous in the light of EU legislation!
 - **Archaeological** searches are becoming increasingly prevalent and open-ended with serious uncertainties – and time and cost implications.

- The **civil aviation** authorities are increasingly blocking mineral applications on a 13km radius of landing strips and airports on the basis of purported increase in *bird-strike* risk
2. **Regulatory Burden.** This is still growing. Sadly we do not see the fine ideals of speeding up the process and making the system more business friendly in the *Planning Bill* currently before Parliament. We see things getting worse - not least with the demise of Counties on which we have pinned a lot of faith and have by and large been served well with for minerals matters. It takes considerably longer in the UK to obtain planning consents compared to other EU countries (a factor of 2 to 3 times or more). Formal environmental management systems remain on the civil servant agenda both in Europe and the UK, and the potential use to influence public procurement or impose further taxation. These systems are principally for large companies and generally inappropriate, unsuitable and unnecessary for the SME sector.
 3. **MPS** - These replace MPGs and they are all in the process of being reviewed and rewritten. There is an opportunity to bolster the need, access and general guidance. For an industry with such a small footprint we still think we get an unfair and unbalanced treatment compared with other industries and other developments! We would particularly wish to see a rethink in the area of landbanks and to ensure **fair competition for SMEs** becomes part of the planning process.
 4. **ODPM and DEFRA/EA.** Our industry is largely excluded from IPPC management and direct licensing from the Environment Agency. The primary license to operate is from the planning authorities with other bodies as statutory consultees. The industry does not wish to see duplication in permitting and licensing but we see a split occurring where increasingly this could might e.g. Water Bill, EU Mine Waste proposals (duplication potential on permitting, financial guarantees), IPPC review, EU Integrated Product Policy (IPP), EU Environmental Liability Directive and the 2004 Review of Planning within the EU. Not least we see a risk of falling between the two ministerial stools of DEFRA and ODPM!
 5. **Aggregates levy.** BAA campaigned hard to dissuade government from introducing this ill-conceived tax. It has created perverse environmental impacts – contrary to government intentions. There are still serious ongoing problems – SME cash-flow, illegal and black-market operations, increased transportation of aggregates; and a mushrooming of new "waste heaps" as a direct result of the levy; and the taxation of moisture as an aggregate! There is no environmental level playing field - exempt aggregates from china clay workings are being transported 80 miles past our members' quarries in the south-west to supply local needs; and exempt but freshly quarried and processed aggregates from slate workings in North Wales are putting people out of work in the nearby granite quarries who would normally supply the market.
 6. **Social Issues.** The industry has been seriously affected by the difficulties in obtaining statutory liability insurance cover despite an

excellent safety record. The proposed loss of the UK opt-out on the 48 hour week, and the implications of the Working Time Directive on transport operators will have a very serious impact on the industry without government intervention.

7. **DTI.** We are concerned that recent reorganisations have resulted in a loss of continuity and industry knowledge in the DTI. The basic industries like ours are getting little or no effective support and encouragement because they are perceived as too small and too low technology. We believe that the DTI is there to encourage industry endeavour and create a more positive climate for entrepreneurship – regrettably we see too little of either as Treasury, DEFRA, Environment Agency, HSE and ODPM currently seem to be more powerful and influential!

We would welcome an early opportunity to meet with you and explain in more detail these concerns as we represent both a raw material provider to the Construction industry and represent the interests of SME operators – covering both facets of your responsibility.

Yours Sincerely

P L Huxtable

Secretary