

Materials prices could rise again soon

South-east presses ahead with plans to slash aggregate extraction, risking national agreement

MATERIALS

BY SIMON ELLERY

Fresh materials price hikes are on the horizon because of a regional battle over aggregates extraction, according to suppliers.

Local authorities in the South-east are refusing to renegotiate a 32 per cent target for reducing aggregate extraction set by the now-disbanded South East England Regional Assembly.

The refusal threatens the 30-year-old Managed Aggregates Supply system that gives the UK 248 million tonnes of aggregates annually. There are fears that other regions will follow suit, restricting total output and pushing up prices when contractors already face squeezed margins. Mineral Products Association acting chief executive officer

GUIDELINES FOR AGGREGATES PROVISIONS

2001-2016 (million tonnes) – adopted and under review

Region	Land-won sand and gravel	Land-won crushed rock
South-east	212	35
London	19	0
East	256	8
East Midlands	165	523
West Midlands	162	93
South-west	106	453
North-west	55	167
Yorkshire & Humber	73	119
North-east	20	119
England total	1,068	1,618

Nigel Jackson said: "In the South-east (the authorities) are challenging how it is apportioned sub-regionally. There is an undercurrent of nimbysism and parochialism here that is beginning to destabilise what has been a national agreement for aggregates provision."

Mr Jackson said the MAS relied on a collective approach and "mutual responsibility". The system sets regional targets via a Government survey every four years. British Aggregates Association secretary Peter Huxtable said that many assemblies wanted to reduce their quotas.

"They are ignoring central Government, while several of the national parks are wanting to reduce quarrying," he said.

"We are saying we have a system of centralised aggregates management, and this is to minimise the distance that materials travel."

Director of South-east mining firm Summerleaze Mike Lowe warned that other regions would balk at having to increase supply to make up the South-east shortfall. Prices were likely to rise, he said.

"The Department of Communities and Local

Government set what it considered a reasonable amount but SEERA has decided that it can't accept that. With the Olympic Games site and the work in the South-east coming up, there could be a real problem."

Former chairman of SEERA Regional Planning Committee Moira Gibson defended the new target. "Historically, production of aggregates has consistently been well below guideline requirements, even at times with high house building rates," she said.

"The regional assembly therefore resolved that the target for the South-east should reflect more accurately past sales, demand and the deliverability of supply. This means recommending a new target of 9.01 million tonnes a year."

The MPA, created last month by a merger of three existing trade bodies, has called for the Government to relax regulation affecting supplies. Mr Jackson has said the aggregates levy puts a strain on businesses without improving attitudes to the environment.

The levy is a tax on sand, gravel and rock dug from the ground or dredged from UK waters.