LEICESTERSHIRE MDF TO 2021 - SUBMISSION DRAFT - CORE STRATEGY AND DC POLICIES

MINERALS SUPPLY: MINERALS OTHER THAN AGGREGATES - FIRECLAY

SUBMISSION ON BEHALF OF UK COAL MINING LTD

1 Introduction/General

1.1 UK Coal has a particular interest in Fireclay supply in Leicestershire as potential coal extraction sites being considered by the Company include reserves of Fireclay.

1.2 It is evident that in Leicestershire the close geological association of coal and fireclay means that Fireclay will be produced in association with coal and that future supplies of Fireclay are dependent on surface coal mining – see BGS Fireclay Factsheet Oct 2005 (Appendix 1).

1.3 Leicestershire is an important supply source of Fireclay in the UK.

1.4 When forward planning for Fireclay it should be noted that Fireclay falls within the overall consideration of Brickclay policies/planning. In mineralS guidance – MPS1 (MCD 1) – Fireclay is dealt with as part of the considerations on Brickclay – see Annex 2 (references to Fireclay at 1.1; 3.1; 3.4; 3.5; 3.6; 3.10). The BGS Factsheet on Fireclay, Oct 2005 - indicates that Fireclay is principally consumed in the manufacture of buff coloured facing bricks.

1.5 In 1998 Fireclay consumption in brick manufacturing was estimated at 625,000 tonnes. Future total fireclay consumption is estimated for both bricks and other products at 500-600,000 tonnes per annum (See BGS Factsheet)

2 Topic Paper

2.1 Leics CC has produced a Topic Paper concerning provision in the MDF for Brick and Fireclay. In terms of Brickclay and Fireclay the Inspector has sought information on how best to maintain an adequate and steady supply of Fireclay, which led to the request for a Topic Paper. As there is a close association between shallow coal and Fireclay in Leicestershire it is appropriate for UK Coal to make a submission on this topic area.

3 Issues Raised by the Topic Paper

Brickclay

Policy CS3 – The Strategy for Brickclay

3.1 Given that the major use of Fireclay is in brick manufacture – with use in buff coloured facing bricks (with benefits to urban design and architecture) and that bricks made from Fireclay have superior technical properties (strength, durability, frost resistance), as set out in the BGS Factsheet (which indicates future steady demand for buff coloured bricks) – it would seem appropriate for Policy CS3 to indicate that provision needs to be made for Fireclay supply to Leics Brickworks, as well as brickworks outside the County.

Para 7

3.2 Whilst para 7 deals with further brickclay reserves for existing brickworks in Leics is there a need to maintain a supply to these sites of Fireclay?

Para 8

3.3 It is noted that "recent levels of production are the best indicator of demand" in terms of brick clay.

Para 16

3.4 This para indicates the benefit of local supply. We would assume that in general terms these points would also apply to the supply of Fireclay – i.e. it would seem appropriate that Leics Brickworks obtain their supplies of Fireclay from Leics sources wherever possible.

Para 17

3.5 Given that Fireclay is principally consumed as brickclay would it also be beneficial to make provision for Fireclay resources to be released in Leics to serve both the Leics Brickworks as well as regional, national markets?

Fireclay

Para 31

3.6 Whilst there are no national and regional targets for Fireclay supply it should be noted that it is nationally and regionally important and that Leicestershire is an important player – this is all highlighted in the BGS Factsheet. The Factsheet gives an indication of potential levels of demand and it is worth noting that Leics CC take the view in terms of Brickclay and Brick making (which is the major use for Fireclay) - "recent levels of production are the best indicator of demand".

3.7 In terms of Fireclay sales Table 15 - on page 22 of the Background Paper to the Leics MDF Core Strategy and DC Policies – appears to indicate that in the period 1999-2006 Leicestershire often supplies significant proportions of English Fireclay sales (up to 56%) and significant amounts of East Midlands Regional Sales (often 100%). Over the period 1999 to 2006 for the yrs where figures are disclosed (x7 years) supply averages at 122,000 tonnes per year.

3.8 How will "stricter husbandry of available resources over the plan period at a reduced sales rate" ensure sufficient supply? The BGS Factsheet estimates a total figure for the consumption of Fireclay annually at 500-600,000 tonnes. It also stresses (in terms of supply, structure of the industry, resources and reserves) the importance of Leicestershire as a supply source. The figures in Table 15 suggest that Leicestershire at times supplies in excess of 30% of English sales. This could, based on the factsheet consumption figures, be calculated as Leicestershire contributing in the future between 150,000 and 180,000 tonnes per annum to English sales.

3.9 Where is the evidence to suggest stricter husbandry and reduced sales rates are what should be planned for, particularly if there are brick clay policies being set out to sustain the brick making industry in Leics? Also, if the RSS is indicating housing/development growth in the East Midlands aren't sales rates of clay for brick making going to be maintained or potentially grow across the plan period?

Para 32

3.10 Given the importance of the Donington Island clay stocking facility and blending facility UK Coal would support the continuation of such a facility across the plan period.

Para 33

3.11 The Council appears somewhat grudging about the Fireclay supply dimension of future surface coal mining operations!

3.12 If the Council has to plan for the supply of brickclay and fireclay, and MPS 1 (MCD 2) suggests strongly at Annex 2 that it does (see particularly para 3.4):-

- Need for provision of brickclay (which includes Fireclay) from different sources for blending
- Need for a stock of permitted reserves and separate provision for scarce clays like Fireclays to serve a number of works
- Need to meet demand for clay at each manufacturing plant, including those outside the MPA area

3.13 then, coal extraction is very important – see BGS Factsheet and also para 3.6 of MPS 1.

3.14 If the Council has to plan for supply of both Coal and Fireclay, and given that Fireclay is unlikely to be worked without coal extraction, it would seem appropriate if the MDF CS gave some encouragement to joint operations and actually planned for them taking place. A specific joint coal and fireclay working policy may be beneficial.

Para 34

3.15 UK Coal does not necessarily expect the Council to set a “target” for extraction. The Core Strategy should have regard to potential amounts to be planned for across the plan period. The consumption figures set out in the BGS factsheet provide a start point. It would then seem relevant to consider the sales figures set out in Table 15 of the Background Paper and to look at the contributions that Leicestershire makes taking account of the importance of its role stressed by the BGS Factsheet, as well as the advice on Brickclay contained in Annex 2 of MPS 1(MCD 2). The Council has made an effort in paras 4.30 to 4.35 and Policy CS3 to acknowledge the important role that bricks and related products play and has therefore planned for levels of future supply. In the Topic Paper at para 8 the Council suggests that recent levels of production are the best indicator of demand.

3.16 Given that scarce Fireclay is a recognized element of the Brickclay consideration (as well as being used for other specialized building products) could the Council not use a similar approach and base the supply levels to be planned for on recent sales/production and maintaining Leicestershire’s contribution?

<u>Paras 36 and 37</u>

3.17 We are not clear on the following:

- Does the Council consider that the supply from Donington Island is sufficient for the plan period having regard to the content of the BGS Factsheet and the figures shown in Table 15? (If Leics continues its role – approx 30% contribution – para 4.39 suggests not)

- Are there additional permitted reserves of Fireclay (besides that in Donington Island) that will be made available and therefore contribute to Fireclay supply during the plan period? (If Leics continues its role – approx 30% contribution – para 4.39 suggests not)

- If the Council envisages at para 32 of the Topic Paper that it would be beneficial over the plan period to provide a long term stocking facility at Donington Island does it envisage supplementing the existing stocked clays with further Fireclays? (If Leics continues its role – approx 30% contribution – para 4.39 suggests it would be necessary to supplement stocks)

3.18 Given that the BGS Factsheet highlights that coal extraction is most likely the vehicle for sustaining Fireclay supplies and given that:

- surface coal mining schemes are quite rapid operations;
- the Council is planning for a long-term stocking facility across the plan period (and beyond?);
- MPS1, Annex 2, (paras 3.4,3.6) - stresses separate provision for scarce clays that will serve a number of works, highlights the potential for stockpiling and the involvement of coal producers in Fireclay supply;

3.19 We think MDF Core Strategy should perhaps place more emphasis and encouragement to joint working of coal and fireclay. Maybe this should be part of the vision of the MDF (see PPS 12 – para 4.1) having identified the key issues in terms of sustaining future Fireclay supply.

Para 38

3.20 In terms of Policy CS 4 it would appear that, when MPS1 advice, particularly Annex 2, and that contained in the BGS Factsheet are taken together, there is an overall strong need to supply Fireclay for brick making and other specialist building product manufacture; that Fireclay is scarce and valuable; that long term reserves/stocks are important; and; that Leicestershire is very important in terms of local, regional and national supply. It would therefore appear that, when considering a proposal/application for surface coal mining, that has the potential to provide Fireclays, Fireclay supply is a consideration that would weigh heavily as a positive in the planning balance at planning application determination stage. It may even be the case that Fireclay supply is considered as a benefit that outweighs environmental impacts as it provides wider community benefits (i.e. the supply of clays for building products that are needed to sustain development) and has the potential to make the development more sustainable. The BGS Factsheet suggests that "associated recovery of fireclay may provide additional support for an opencast coal proposal on the grounds of making the best possible use of the resource, in line with the principles of sustainable development". It is accepted though that any additional impacts resulting from fireclay recovery, as alluded to in Policy CS 4, would need to be factored in to the determination.

3.21 Having regard to para 16 of MPG 3 (MCD 34), which deals with other minerals, including fireclay, we recognize that the advice is that the overall proposal for joint coal and fireclay extraction would have to meet the tests in para 8, but it would be our contention that the fireclay supply aspect would be factored in as a benefit outlined by point (ii) of para 8, that potentially outweighs environmental impacts.

Para 39

3.22 The text here perhaps highlights the shortcomings of the key diagram - figure 3. It is not possible to discern from this diagram much detail concerning the shallow coalfield and certainly not those areas that “have more abundant fireclays than others”.

3.23 It must be stressed that fireclay is unlikely to be economically recoverable on its own but it is economical to work it in conjunction for coal. There is an interest in working coal by surface mining methods and para 4.63 of the MDF CS indicates the importance of a continuing role for coal. Given the importance therefore of both coal mining and fireclay extraction/supply we consider that the MDF should give more encouragement to joint workings through a joint coal/fireclay policy, improved key diagram/spatial maps showing (at an appropriate scale) the fireclay resources details provided to the council by BGS within the shallow coal reserves.

3.24 Figure 2 – Other Construction Materials Spatial Map – does not appear to show the areas of fireclay resources. It would appear that the Council is keen to highlight some of the potential constraints – particularly the River Mease Catchment rather than some of the minerals it might be planning for.

3.25 Figure 3 – Energy Minerals Spatial Map – is of a scale and nature that makes it difficult to relate the coal features to other uses. It too has the shallow coalfield dominated by the River Mease Catchment and you cannot relate the shallow coalfield to the fireclay reserves.

3.26 It would be better, given the potential close relationship between surface coal mining and fireclay, if a specific map/diagram of the shallow coalfield, at A3 size, was included containing also the areas of potential fireclay resources.

Para 40

3.27 In simple terms it is our view that the content of MPS 1 and the BGS Factsheet, along with the circumstances in Leicestershire, provide good justification for having a specific text and policy on joint fireclay and surface coal mining operations to give some indication that this is being planned for and how it will be dealt with. This would provide some clarity for investors/developers and communities and would assist in delivery of fireclay and coal supplies. It is worth noting that the Leicestershire MLP Review 1995 contained such a policy.

3.28 Leicestershire is an important supplier of fireclay, if not the most important supplier of fireclay. We consider that the MDF CS should therefore be clearer, in terms of characteristics and vision (see PPS 12) that there is the potential for and potential benefits in joint coal and fireclay surface workings. In terms of the delivery strategy (see PPS12) it would be helpful - in terms of how much and where – to show much more clearly than the current diagrams, the extent of the shallow coalfield and the fireclay reserves within it. This will give both the industry (coal and fireclay) as well as local communities, a better understanding of the extent of the areas of interest and some indication of where proposals might be located.

3.29 In terms of how much and how the MDF proposes to ensure fireclay supply in accordance with MPS 1 and PPS12 (MCD 1) we have some concerns about the approach taken in paras 4.39 to4.44 of the MDF CS.

3.30 The BGS Factsheet makes clear the scarcity of fireclay and the relative importance of Leicestershire in terms of resources. Para 4.39 of the MDF CS appears to indicate insufficient resources based on sales levels during 1999 to 2002. There are various ways of analyzing the data in Table 15, but the general picture is that Leics appears to supply about a third of English sales. The content of the BGS Factsheet would appear also to bear this out. At para 4.40 the MDF CS suggests that sales though in the period 1999 to 2002 may have been "higher than expected". It is not clear where the evidence for this comes from – the Topic Paper does not give any specific indication as to whether sales in this period were significantly higher than in the past. Whilst the 2 opencast coal sites referred to may have contributed to Leics seeing the sales amounts over the period 1999 to 2002, prior to 1999 other opencast coal/clay sites would also have contributed fireclay (production of opencast coal in Leicestershire in the period 1983 to 1993 – see MLPR 1995 – varied between 483,000 tonnes and 2.4 million tones, which is generally much higher than coal production in 1999-2002). Also, given the large amounts stockpiled at Donington Island – greater quantities could have been taken/sold from stock at times of past low opencast coal supply in order to meet the demand. It is not clear, if fireclays have tended to be stocked following relatively rapid extraction at Albion and Hicks lodge, why sales would necessarily go up? Perhaps there is a much greater demand within and outside the County, which is more readily met and reflected in higher sales when more fireclay is extracted. Para 4.41 requires applicants to demonstrate particular qualities that cannot be delivered by existing permitted reserves. Para 4.39 has already indicated though that there are insufficient reserves to maintain the role that Leics has performed 1999 to 2002. However, under Brickclay in the Topic Paper at para 8 the Council indicates that "recent levels of production are the best indicator of demand". As fireclay is part of the planning for brick clay the same approach could generally be applied to fireclay sales – i.e. that recent level of sales are indicative of the levels of demand that exist and therefore the levels of supply to be planned for in the future, even though some will be drawn/sold from long-term stockpiles.

3.31 In its current form the MDF CS does not give a clear enough indication to either the minerals industry, brick makers and building product producers or the local communities how much fireclay supply it might be planning for or give a reasonable clear indication of where this might come from. There are clear local circumstances that prevail in terms of fireclay supply, including the linkage to surface coal mining but the delivery strategy appears somewhat weak. This raises questions over deliverability and compliance with the requirements of MPS 1 and PPS 12.

3.32 In terms of the UK brick and tile industry, UK Coal Mining Ltd has received a letter of support from Castle Claysales Ltd (dated 15.12.08 enclosed at appendix 2) for their potential "Minorca" coal and clay extraction site in Leicestershire.

3.33 As Castle Claysales are a major supplier it is worth noting the points in this letter which have relevance to the MDF CS – including: the decline in supplies in the Midlands; the increase in imports from further afield; the benefits of local supply; and, the ongoing need.