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Helen Barrington

Director of Legal and Democratic
Services

County Hall

Matlock

Derbyshire

DE4 3AG

democratic.services@derbyshire.gov.uk

PUBLIC

To: Members of Cabinet

Wednesday, 25 January 2023

Dear Councillor,

Please attend a meeting of the **Cabinet** to be held at **2.00 pm** on **Thursday, 2 February 2023** in Committee Room 1, County Hall, Matlock, the agenda for which is set out below.

Yours faithfully

A handwritten signature in black ink that reads 'Helen E. Barrington'.

Helen Barrington

Director of Legal and Democratic Services

A G E N D A

1. To receive apologies for absence
2. To receive declarations of interest (if any)
3. To consider Minority Group Leader questions (if any)

Minority Group Leaders in attendance at the meeting are able to ask a question on a report on the agenda. Any questions should be provided in writing by 12 noon at least 2 working days before the meeting.

4. To approve, as a correct record, the non-exempt minutes of the meeting held on 12 January 2023 (Pages 1 - 4)

5. Reserves Position and Reserves Policy (Pages 5 - 24)
6. Budget Consultation Results (Pages 25 - 66)
7. Revenue Budget Report 2023-24 (Pages 67 - 198)
8. Capital Programme Approvals, Treasury Management and Capital Strategies for 2023-24 (Pages 199 - 258)
9. Derbyshire and Derby Minerals Local Plan - Approval of Pre-submission Draft Minerals Local Plan for Publication and Formal Public Consultation (Pages 259 - 612)
10. Exclusion of the Public

To move "That under Regulation 4 (2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting for the following items of business on the grounds that in view of the nature of the items of business, that if members of the public were present, exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 would be disclosed to them."

PART II - EXEMPT ITEMS

11. Long Term Waste Management Contract (Pages 613 - 1026)

PUBLIC

MINUTES of a meeting of **CABINET** held on Thursday, 12 January 2023 at Committee Room 1, County Hall, Matlock.

PRESENT

Councillor B Lewis (in the Chair)

Councillors S Spencer, A Dale, C Hart, N Hoy, J Patten, K S Athwal and J Wharmby.

Apologies for absence were submitted for Councillor T King and C Renwick.

Officers present: Emma Alexander (Managing Director), Helen Barrington (Director - Legal and Democratic Services), Carol Cammiss (Executive Director - Children's Services), Alec Dubberley (Head of Democratic and Registration Services), Ellie Houlston (Director Of Public Health), Joe O'Sullivan (Executive Director - Corporate Services and Transformation), Paul Stone (Assistant Director of Finance), Helen Jones (Executive Director - Adult Social Care and Health) and Claire Brailsford (Director - Environment & Transport).

1/23 TO RECEIVE DECLARATIONS OF INTEREST (IF ANY)

None.

2/23 TO CONSIDER MINORITY GROUP LEADER QUESTIONS (IF ANY)

None.

3/23 TO APPROVE, AS A CORRECT RECORD, THE NON-EXEMPT MINUTES OF THE MEETING HELD ON 8 DECEMBER 2022

RESOLVED:

To approve as a correct record, the non-exempt minutes of the meeting held on 8 December 2022.

4/23 SCRUTINY REVIEW OF SECTION 75 AGREEMENTS

Councillor J Wharmby, Chairman of the Improvement and Scrutiny Committee for Health introduced a report, which had been circulated in advance of the meeting, informing Cabinet of the recent review undertaken by the Improvement and Scrutiny Committee for Health on the use of Section 75 Agreements by the Council and its partners in commissioning and the provision of health and social care services.

RESOLVED to:

- 1) Support the recommendations of the Improvement and Scrutiny Committee for Health; and
- 2) Approve that the appropriate action be taken to implement the recommendations as set out in the review action plan at Appendix 3 to the report.

5/23

**DERBYSHIRE COUNTY COUNCIL CLIMATE CHANGE STRATEGY:
ANNUAL REVIEW OF PROGRESS**

Councillor B Lewis introduced a report, which had been circulated in advance of the meeting, that provided an annual summary of progress against the delivery of the Climate Change Strategy and the Council's net zero targets.

RESOLVED to note the:

- 1) Contents of the report relating to relevant national and regional policy, legislation and governance changes over the past 12 months that might have implications on the Council's climate change programme;
- 2) Progress being made against the Council's net zero target of 2032, or sooner, and the County's net zero target of 2050, and the challenges being faced to reduce emissions from Corporate Property, streetlighting, core fleet and grey fleet;
- 3) Progress being made against each target and action within the Strategy; and
- 4) Other key projects, initiatives and schemes that are contributing to the Council's climate change and wider sustainability agenda and objectives.

6/23

VCS INFRASTRUCTURE PROVISION 2022-23

Councillor C Hart introduced a report, which had been circulated in advance of the meeting, that updated Cabinet on the progress of the funding approach to Voluntary and Community Sector (VCS) infrastructure provision and sought approval to secure VCS infrastructure grants for a period of twelve months from 1 April 2023 to 31 March 2024.

RESOLVED to:

- 1) Note progress on the development and implementation of the Council's voluntary and community sector (VCS) infrastructure approach over the last twelve months;
- 2) Approve the proposals to further develop and embed the approach as outlined in the report; and
- 3) Approve proposals to maintain existing funding to voluntary and community sector infrastructure organisations, as set out in the report, totalling £452,228 until March 2024.

7/23 CHILDCARE SUFFICIENCY ASSESSMENT 2022 -2023

Councillor A Dale introduced a report, which had been circulated in advance of the meeting, that reported on the outcome of the Childcare Sufficiency Assessment as required by the Childcare Act 2006 and the Department for Education 'Early Education and Childcare Statutory Guidance for Local Authorities' (June 2018), and to obtain approval of the publication of reports to parents and carers.

RESOLVED:

To note the outcome of the Childcare Sufficiency Assessment and approve its publication.

8/23 GREEN TOWNS

Councillor K S Athwal introduced a report, which had been circulated in advance of the meeting, that sought approval of the carrying out of a consultation and public engagement exercise in relation to the introduction of 20mph speed limits on roads in areas surrounding the town centres of Buxton and Long Eaton.

RESOLVED to:

Approve the carrying out by the Council of a consultation and public engagement exercise for the introduction of 20mph speed limits under the Road Traffic Regulation Act 1984 on roads in areas surrounding the town centres of Buxton and Long Eaton.

9/23 FORWARD PLAN

Councillor S Spencer introduced a report, which had been circulated in advance of the meeting, that presented the Executive's Forward Plan for the period 1 February – 31 May 2023.

RESOLVED to:

Note the contents of the Forward Plan attached at Appendix 2 to the report.

10/23 EXCLUSION OF THE PUBLIC

RESOLVED:

That under Regulation 4(2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting for the following items of business on the grounds that in view of the nature of the items of business, that if members of the public were present, exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 would be disclosed to them.

11/23 TO APPROVE, AS A CORRECT RECORD, THE EXEMPT MINUTES OF THE MEETING HELD ON 8 DECEMBER 2022

RESOLVED:

To approve as a correct record, the exempt minutes of the meeting held on 8 December 2022.

The meeting finished at 2.35 pm



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET

2 February 2023

Report of the Interim Director of Finance & ICT

Reserves Position and Reserves Policy
(Corporate Services and Budget)

1. Divisions Affected

1.1 County-wide.

2. Key Decision

2.1 This is not a Key Decision.

3. Purpose of the Report

3.1 To note the current and forecast positions for both General and Earmarked Reserves and to approve the Reserves Policy. This report should be read alongside the following reports to this meeting: the Budget Consultation Results Report for 2023-24, the Revenue Budget Report 2023-24 and the Capital Programme Approvals, Treasury Management and Capital Strategies for 2023-24 Report.

4. Information and Analysis

Reserves Policy

- 4.1 Sections 32 and 43 of the Local Government Finance Act 1992 require precepting authorities in England and Wales to assess the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 4.2 A range of safeguards are in place to prevent local authorities over-committing themselves financially. These include:
- The requirement to set a balanced budget as detailed in Sections 32 and 43 of the Local Government Finance Act 1992.
 - The Chief Finance Officer's (S151 Officer) duty to report on the robustness of estimates and adequacy of reserves when the Council is considering its budget requirement as set out in Section 25 of the Local Government Act 2003.
 - Legislative requirement for each local authority to make arrangements for the proper administration of their financial affairs and that the Chief Finance Officer (S151 Officer) has responsibility for the administration of those affairs as set out in Section 151 of the Local Government Act 1972.
- 4.3 These requirements are reinforced by Section 114 of the Local Government Finance Act 1988, which requires the Chief Finance Officer to report to Council if there is, or is likely to be, unlawful expenditure or an unbalanced budget.
- 4.4 The Council has in place a Reserves Policy which ensures the Council meets its statutory obligations and sets out the framework within which decisions are made regarding the level of reserves.
- 4.5 In line with this framework the balance and level of Earmarked and General Reserves are regularly monitored to ensure they reflect a level adequate to manage the risks of the Council.
- 4.6 The Reserves Policy was last approved by Cabinet on 24 January 2022. The following minor amendment is proposed in this report:
- Requires the analysis of Earmarked Reserves to include the Public Health grant as a separate category.
- 4.7 A copy of the updated Reserves Policy has been included at Appendix Five for approval by Cabinet.

General Reserve

- 4.8 The Council's General Reserve position was last reported to Cabinet on 28 July 2022, as part of the Revenue Outturn Report 2021-22. General Reserve projections have been updated as part of the updated Five Year Financial Plan 2023-24 to 2027-28, which is included in the Revenue Budget Report 2023-24, also for consideration at this Cabinet meeting. As at 31 December 2022, the balance on the General Reserve is £31m. The General Reserve balance is forecast to be between £13m and £20m over the medium term.
- 4.9 It is recognised that the forecast General Reserve balance over the medium term is lower than would be preferred. If funding allows, restorative measures will be utilised over the period of the Five Year Financial Plan to build back up the balance of the General Reserve.

Earmarked Reserves

- 4.10 Earmarked Reserves are a means of smoothing expenditure to meet known or predicted liabilities. Funds should be used for the item for which they have been set aside. Any funds no longer required should be transferred to the General Reserve.
- 4.11 Earmarked Reserves totalling £283.335m were held at 1 April 2022. Of this total, £79.545m (28%) is available to support future spending. Details of the balances, categorised in accordance with the Reserves Policy, are detailed in Appendix Two.
- 4.12 Other than Schools Reserves, the following Earmarked Reserves have a balance that is in excess of £5m:
- 4.13 **Loan Modification Gains/Losses** (£24.231m held at 1 April 2022; Corporate Services and Budget; Contractual Commitments) – to meet the cost of higher interest charges arising on restructured loans which were remeasured when International Financial Reporting Standard 9 was adopted.
- 4.14 **Covid-19 Recovery Fund** (£11.063m held at 1 April 2022; Corporate Services and Budget; Planned Revenue Spend) – to support the Council's and wider County recovery from the impacts of the Covid-19 pandemic.

- 4.15 **Covid-19 Local Authority Emergency Grant** (£15.370m held at 1 April 2022; Corporate Services and Budget; Covid Grants) – non-ringfenced emergency grant to support local authorities with the cost pressures experienced through the Covid-19 pandemic.
- 4.16 **Post Covid-19 Funding Risks** (£14.000m held at 1 April 2022; £0.000m held at 22 December 2022 (transferred to Inflation Risks and Cyber Security reserves); Corporate Services and Budget; Budget Stabilisation) – contingency against potential funding losses during the Covid-19 recovery period.
- 4.17 **Inflation Risks** (£0.000m held at 1 April 2022; £10.000m held at 22 December 2022 (Created from transfer of Post Covid-19 Funding Risks reserve); Corporate Services and Budget; Budget Stabilisation) – to support the Council in the short-term to meet the cost of temporary inflationary increases.
- 4.18 **Business Rates Risks** (£0.000m held at 1 April 2022; £5.251m held at 22 December 2022 (Created from 2021-22 underspends); Corporate Services and Budget; Specific Risks) – to help mitigate future volatility the Council may experience in respect of business rates receipts.
- 4.19 **Revenue Contributions to Capital Expenditure** (£50.835m held at 1 April 2022; Corporate Services and Budget; Specific Risks) – £13.650m is held to fund future capital expenditure. The balance of £37.185m has arisen as a consequence of the Council's strategic decision to fund its capital expenditure in financial years 2018-19 to 2021-22 from additional borrowing rather than its revenue budget and is held to mitigate risks and support the management of revenue budgets over the medium term. Further contributions to this Earmarked Reserve, in the region of £6m, should be possible in 2023-24.
- 4.20 **Place Department: Prior Year Underspends** (£10.329m held at 1 April 2022; Highways Assets and Transport; Planned Revenue Spend) – held to finance anticipated overspends in the Place departmental budget because of a lag in the delivery of budget savings. These are expected to arise whilst delivering change in a managed way, to ensure that front line services are not unduly disrupted. It is forecast that this balance will be used by 31 March 2023.
- 4.21 **Public Health** (£8.092m held at 1 April 2022; Health and Communities; Public Health Grant) – the balance carried forward of the ring-fenced Public Health Grant.

- 4.22 **Business Rates Pool** (£8.395m held at 1 April 2022; Corporate Services and Budget; Other) – contains gains to the Council from participating in a business rates pool along with other authorities in Derby and Derbyshire since 2015-16. £4.000m of this funding has since been transferred to an earmarked reserve to support the Council's commitments to transition to a greener operating model in line with its Climate Change Policy. The balance on this reserve is held to smooth variations in estimated and actual distributions of income from the pool.
- 4.23 **Budget Management** (£15.635m held at 1 April 2022; Corporate Services and Budget; Budget Stabilisation) - to support the management of revenue budgets over the medium term. Subsequently, £21.003m has been used for one-off revenue support, as approved in the Revenue Budget Report 2022-23; £5.368m has been transferred to the reserve from the General Reserve to fund the balance of one-off expenditure required by the Revenue Budget 2022-23; £10m has been added to the reserve from underspends as approved in the Revenue Outturn Report 2021-22 and £9.734m has been drawn to meet the additional cost of the 2022-23 Pay Award which exceeded the contingency funding set aside in the Revenue Budget 2022-23. The use of further one-off amounts has been forecast in the Five Year Financial Plan 2023-24 to 2027-28.
- 4.24 **Planned Building Maintenance** (£5.622m held at 1 April 2022; Corporate Services and Budget, Planned Capital Spend) – there are a number of building projects that are funded from this budget. Cabinet agrees a schedule to be funded from this budget.
- 4.25 **Older People's Housing Strategy Reserve** (£16.103m held at 1 April 2022; Adult Care; Planned Capital Spend) – revenue contributions to capital expenditure, held to fund capital investment in Older People's housing. If required, this capital investment could alternatively be funded from additional borrowing and the money utilised instead to ensure that the Council's General Reserve position remains at a reasonable, risk-assessed level.

- 4.26 **Insurance and Risk Management** (£16.0358m held at 1 April 2022; Corporate Services and Budget; Specific Risks) – the Council keeps its payments to external insurance companies to a minimum by self-insuring much of its insurable risk. To cover self-insured risk, a contribution in lieu of premium is paid into an insurance fund, which comprises this reserve to cover expected liabilities and an insurance provision to cover incurred liabilities. Every five years an actuary performs an independent evaluation of the fund balance and the level of contributions. An interim review is carried out mid-term. The last actuarial evaluation, completed in October 2020, confirmed that the total of this reserve and the insurance provision was adequate to meet current and anticipated liabilities.
- 4.27 The Council's Earmarked Reserve balances were reviewed during Autumn 2022. Departments have agreed to release £11.913m from balances, which will be utilised to support the Council in achieving a balanced budget over the medium term. This amount will initially be held in the Budget Management Earmarked Reserve. The balance of that reserve, including this transferred balance, is expected to be fully used in supporting one off expenditure detailed in the Revenue Budget Report 2023-24. Details of the balances to be released are shown in Appendix Three.
- 4.28 The table below summarises the forecast movement in Earmarked Reserves for the year ending 31 March 2023.

Portfolio	Reserves Brought Forward at 01.04.2022 £m	Planned Net Contribution / (Use) 2022-23 £m	Amounts to be Released to General Reserve £m	Forecast Reserves Carried Forward at 31.03.2023 £m
AC	16.929	(5.826)	0.000	11.103
CGR	5.109	0.738	0.000	5.847
CSB	180.045	(56.852)	(11.517)	111.676
CSSGE	5.497	0.022	0.000	5.519
HAT	16.777	(10.794)	0.000	5.983
HC	14.521	(0.317)	(0.021)	14.183
IE	1.228	(0.666)	0.000	0.562
SLCTCC	4.573	2.621	(0.375)	6.819
Total	244.679	(71.074)	(11.913)	161.692
Schools	38.656	(0.121)	0.000	38.535
Total	283.335	(71.195)	(11.913)	200.227

Key

AC	Adult Care
CGR	Clean Growth and Regeneration
CSB	Corporate Services and Budget
CSSG	Children's Services and Safeguarding and Education
HAT	Highways Assets and Transport
HC	Health and Communities
IE	Infrastructure and Environment
SLCTCC	Strategic Leadership Culture and Tourism and Climate Change

- 4.29 The table at Appendix Four categorises projected Earmarked Reserves balances at 31 March for the next five years, in accordance with the Reserves Policy. Schools balances have been excluded from this analysis.

5. Consultation

- 5.1 No consultation is required.

6. Alternative Options Considered

- 6.1 N/A – the Council is required to monitor and review the level of its reserves to ensure they are adequate to manage the risks of the Council. This is in accordance with the Council's Reserves Policy which ensures that the Council meets its statutory obligations regarding its level of reserves.

7. Implications

- 7.1 Appendix One sets out the relevant implications considered in the preparation of the report.

8. Background Papers

- 8.1 Not applicable.

9. Appendices

- 9.1 Appendix One – Implications.
- 9.2 Appendix Two – Categorisation of Earmarked Reserves at 1 April 2022 in accordance with the Reserves Policy.

- 9.3 Appendix Three – Amounts to be released from Earmarked Reserves.
- 9.4 Appendix Four – Projected Earmarked Reserves balances at 31 March for the next five years.
- 9.5 Appendix Five – Updated Reserves Policy.

10. Recommendations

That Cabinet:

- 10.1 Notes the current position on Earmarked Reserves.
- 10.2 Notes the details of the amounts to be released from Earmarked Reserves balances.
- 10.3 Notes the allocation of £11.913m Earmarked Reserves released to the Budget Management Earmarked Reserve.
- 10.4 Approves the updated Reserves Policy at Appendix Five to this report.

11. Reasons for Recommendations

- 11.1 The balance of both the General and Earmarked Reserves supports good financial planning.
- 11.2 Any funds in Earmarked Reserves which are no longer required for the item for which they have been set aside should be transferred to the General Reserve to ensure that the balance and level of Earmarked and General Reserves reflect a level adequate to manage the risks of the Council.
- 11.3 The allocation of additional funding to the Budget Management Earmarked Reserve will support the Council in setting a balanced budget in future years, through the use of one-off funding to support services.
- 11.4 A Reserves Policy ensures that the Council meets its statutory obligations and sets out the framework within which decisions are made regarding the level of reserves.

12. Is it necessary to waive the call in period?

12.1 No.

Report Author:

Sam Holmes
Eleanor Scriven

Contact details:

Samuel.Holmes@derbyshire.gov.uk
Eleanor.Scriven@derbyshire.gov.uk

Implications

Financial

- 1.1 As at 31 December 2022, the balance on the General Reserve is £31m. The General Reserve balance is forecast to be between £13m and £20m over the medium term. Earmarked Reserves totalling £283.335m were held at 1 April 2022. Of this total, £79.545m (28%) is available to support future spending. Departments have agreed to release £11.913m from earmarked reserve balances, which will be utilised to support the Council in achieving a balanced budget over the medium term. Excluding schools balances, Earmarked Reserves balances are forecast to reduce from £245m at 31 March 2022 to £91m by 31 March 2026. It is proposed to amend the Reserves Policy to require the analysis of Earmarked Reserves to include the Public Health grant as a separate category.

Legal

- 2.1 Section 25 of the Local Government Act 2003 requires precepting authorities in England to assess the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 2.2 A range of safeguards are in place to prevent local authorities over-committing themselves financially. These include:
- The requirement to set a balanced budget as detailed in Sections 32 and 43 of the Local Government Finance Act 1992.
 - The Chief Finance Officer's (S151 Officer) duty to report on the robustness of estimates and adequacy of reserves when the Council is considering its budget requirement as set out in Sections 25 of the Local Government Act 2003.
 - Legislative requirement for each local authority to make arrangements for the proper administration of their financial affairs and that the Chief Finance Officer (S151 Officer) has responsibility for the administration of those affairs as set out in Section 151 of the Local Government Act 1972.

- 2.3 These requirements are reinforced by Section 114 of the Local Government Finance Act 1988, which requires the Chief Finance Officer to report to Council if there is, or is likely to be, unlawful expenditure or an unbalanced budget.
- 2.4 The Financial Regulations included in Appendix 8(a) to the Constitution sets out the key controls in relation to the use of reserves and requires that the Council's Reserves Policy is reviewed on an annual basis.

Human Resources

- 3.1 None.

Information Technology

- 4.1 None.

Equalities Impact

- 5.1 None.

Corporate objectives and priorities for change

- 6.1 The Council is committed to ensuring good financial management and compliance with applicable laws and regulations.

Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

- 7.1 None.

Appendix Two

Earmarked Reserves Position at 1 April 2022

	Contractual Commitments	Covid Grants	Grants	Planned Revenue Spend	Planned Capital Spend	Specific Risks	Budget Stabilisation	Other	Public Health Grant	DSG	Schools Balances	Total
Portfolio	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
AC	0.000	0.000	0.019	0.807	16.103	0.000	0.000	0.000	0.000	0.000	0.000	16.929
CGR	2.560	0.000	0.087	2.348	0.114	0.000	0.000	0.000	0.000	0.000	0.000	5.109
CSB	29.280	15.370	0.253	16.180	6.221	69.374	29.635	13.732	0.000	0.000	0.000	180.045
CSSGE	0.000	0.153	4.126	0.970	0.240	0.000	0.000	0.008	0.000	0.000	0.000	5.497
HAT	2.244	0.000	0.405	12.746	0.147	1.235	0.000	0.000	0.000	0.000	0.000	16.777
HC	0.162	4.539	1.563	0.122	0.000	0.000	0.000	0.043	8.092	0.000	0.000	14.521
IE	0.080	0.000	0.127	1.021	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.228
SLCTCC	2.153	0.000	0.487	1.273	0.000	0.000	0.000	0.660	0.000	0.000	0.000	4.573
Total	36.479	20.062	7.067	35.467	22.825	70.609	29.635	14.443	8.092	0.000	0.000	244.679
Schools	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	38.656	38.656
Total	36.479	20.062	7.067	35.467	22.825	70.609	29.635	14.443	8.092	0.000	38.656	283.335

AC	Adult Care
CGR	Clean Growth and Regeneration
CSB	Corporate Services and Budget
CSSG	Children's Services and Safeguarding and Education
HAT	Highways Assets and Transport
HC	Health and Communities
IE	Infrastructure and Environment
SLCTCC	Strategic Leadership Culture and Tourism and Climate Change

Appendix Three

Details of Earmarked Reserves where an amount is to be released:

Portfolio	Reserve	AC £m	CGR £m	CSB £m	CSSG E £m	HAT £m	HC £m	IE £m	SLCT CC £m	Total £m
CSB	EU Exit Preparation Grants			0.253						0.253
CSB	GDPR			0.018						0.018
CSB	Covid-19 Recovery Fund			3.465						3.465
CSB	Covid LA Emergency Grant			4.000						4.000
CSB	Local Audit Fees Grant			0.060						0.060
CSB	Business Rates Pool			3.395						3.395
CSB	Early Intervention QT Training			0.058						0.058
CSB	Property Feasibility Studies			0.268						0.268
HC	Digital Exclusion						0.021			0.021
SLCTCC	Policy and Research								0.329	0.329
SLCTCC	Made in Derbyshire Campaign								0.046	0.046
Total		0.000	0.000	11.517	0.000	0.000	0.021	0.000	0.375	11.913

Appendix Four

**Projected Earmarked Reserves balances at 31 March for the next five years:
(Schools balances have been excluded from this analysis)**

	Contractual Commitments	Covid Grants	Grants	Planned Revenue Spend	Planned Capital Spend	Specific Risks	Budget Stabilisation	Other	Public Health Grant	DSG	Schools Balances	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
31.03.2022	36.479	20.062	7.067	35.467	22.825	70.609	29.635	14.443	8.092	0.000	0.000	244.679
31.03.2023	31.566	3.991	5.456	24.411	13.664	70.953	0.000	3.560	8.092	0.000	0.000	161.693
31.03.2024	28.235	0.767	4.201	15.326	4.342	61.260	0.000	1.881	6.117	0.000	0.000	122.129
31.03.2025	24.346	0.767	4.873	13.161	0.164	55.260	0.000	0.874	4.142	0.000	0.000	103.587
31.03.2026	21.678	0.767	4.848	11.864	0.000	49.260	0.000	0.209	2.167	0.000	0.000	90.793



Reserves Policy

Paul Stone MBA FCPFA

Interim Director of Finance & ICT

Approval and Authentication

Name	Job Title	Signature	Date
Paul Stone	Interim Director of Finance & ICT		December 2022
Cabinet			2 February 2023

RESERVES POLICY

Introduction

This policy establishes a framework within which decisions will be made regarding the level of reserves held by the Council and the purposes for which they will be used and maintained.

Sections 32 and 43 of the Local Government Finance Act 1992 require local authorities to have regard to the level of resources needed to meet estimated future expenditure when calculating the annual budget requirement.

Definitions

Reserves are sums of money held by the Council to meet future expenditure. There are two principal types of reserves:

- (a) General - non-specific reserves which are kept to meet short term, unforeseeable expenditure and to enable significant changes in resources or expenditure to be properly managed over the period of the Council's Five Year Financial Plan (FYFP). The Council's general revenue reserves are held in the General Reserve Balance.
- (b) Earmarked Reserves which are held for specific purposes and which are established either by statute or at the discretion of the Council.

A summary of all reserves, including in year movements and year-end balances are contained in the Council's Statement of Accounts.

General Reserve Balance

The Council will maintain an adequate level of General Reserve Balance to:

- Provide a working balance to cushion the impact of uneven cash flows and avoid unnecessary short term borrowing.
- Provide a contingency to cushion the impact of unexpected events or emergencies.
- Plan for potential major items of expenditure.

The appropriate level of reserves for this purpose will be determined by the Council's FYFP, which will be reviewed annually and will be subject to approval by a meeting of the Council's Cabinet. However, the Council will not maintain levels of General Reserve balances that are excessive compared with appropriate minimum levels. In this context, "excessive" will be assessed and reviewed annually in the FYFP with regard to:

- The projected level of General Reserve balance at the end of the FYFP, less the appropriate minimum level.

- The annual planned use of reserves in each year of the FYFP.
- The impact of sudden large changes in annual use of balances on services or Council Tax levels.

The adequacy of the General Reserve Balance will be determined by assessing the financial risks associated with meeting continuing obligations to provide services. The risk assessment will be reviewed annually.

The Chartered Institute of Public Finance and Accountancy (CIPFA) has issued guidance about the factors which should be taken into account in determining the overall level of reserves and balances. These are:

- Assumptions regarding inflation.
- Estimates of the level and timing of capital receipts.
- Treatment of demand-led pressures.
- Treatment of savings.
- Risks inherent in any new partnerships.
- Financial standing of the Authority (i.e. level of borrowing, debt outstanding, etc.).
- The Authority's track record in budget management.
- The Authority's capacity to manage in year budget pressures.
- The Authority's virements and year-end procedures in relation to under and over-spends.
- The adequacy of insurance arrangements.
- An assessment of external risks.
- Impact of major unforeseen events.
- Likely level of Government support following major unforeseen events.

The General Reserve Balance will be reviewed and projections on future balances will be made at key points during the financial year, namely as part of the budget setting process and update of the FYFP. In exceptional circumstances, the actual level of the Council's balance may fall below the level which is considered appropriate. This is consistent with the need to provide to meet short-term unforeseen expenditure. However, the actual level will be monitored against balances outlined in the FYFP. The plan will set out the level of planned balances, as well as confirming acceptable thresholds above or below the balance. If the balance falls outside of the planned tolerance levels, a plan will be agreed by the Council to restore balances to the appropriate level.

Earmarked Reserves

Departments may establish Earmarked Reserves from within their cash-limited budgets to properly reflect on-going financial commitments, fund future service developments or expenditure of an uneven nature. Earmarked Reserves are not available to the Council for use in setting its ongoing base budget. They are required for specific purposes and are a means of building up funds to meet known or predicted liabilities. These reserves have no upper threshold on them; however, individually their limit and purpose must be approved before they are created using the following approval limits:

- Up to £100,000 – Executive Director in consultation with Director of Finance & ICT.
- Between £100,000 and £500,000 – Cabinet Member.
- Above £500,000 – Cabinet.

Transfers between reserves shall be in accordance with the Scheme of Delegation and Financial Regulations, namely:

- Up to £100,000 – Executive Director
- Between £100,000 and £500,000 – Cabinet Member
- Above £500,000 – Cabinet

Transfers up to £100,000 between departments requires the authorisation of both relevant Executive Directors.

Balances carried forward from previous year's underspend will be allocated to a departmental reserve and proposals for their use will be subject to final approval by the Cabinet Member.

Balances should be reasonable for the purpose held and must be used for the item for which they have been set aside, if circumstances arise to which the reserve is no longer required for its original purpose, they should be transferred to the General Reserve. In order to establish that they are fit for purpose, there will be a review of balances on an annual basis, the outcome of which will be reported to Cabinet.

Earmarked Reserves will be analysed into the following categories:

- **Contractual Commitments** - Genuine liabilities that are known and current to the Council (this does not include holding a balance to cover possible future liabilities), such as PFI scheme obligations. It will also include money held on behalf of partnerships and other Councils.

- **Grants** – Any reserve that was created through the receipt of a grant (excluding Public Health and Dedicated Schools Grants). This could be due to the timing of the payment of the grant.
- **Planned future Revenue Spend** – Funding intended to meet the cost of Revenue expenditure which has yet to be incurred.
- **Planned future Capital Spend** – Amounts held to meet funding required by the capital programme.
- **Specific Risks** – Any reserve held for specific risks which can be named (this does not include balances held as general contingency or to stabilise the budget against a reduction in funding).
- **Budget Stabilisation** – Balances held to stabilise the budget against a reduction in funding.
- **Schools Reserves** – Balances which a scheme, made under Section 48 of the School Standards and Framework Act 1998, provides must be carried forward to be used for the purpose of schools. These amounts represent the amount of unspent schools' budgets.
- **Dedicated Schools Grant (DSG)** – The aggregate of these reserves should be consistent with the Council's return to the Department for Education (DfE) made under Section 251 of the Apprenticeships, Skills, Children and Learning Act 2009. This is the balance of ring-fenced specific government grant paid in support of the Council's schools' budgets which is as yet unspent.
- **Public Health Grant** – The balance of ring-fenced specific government grant. Any future spend from these reserves have to be used for public health, and in line with the conditions on the grant.
- **Other** – All other earmarked reserve balances.

School Reserves

School balances are held for two main reasons; as a contingency against financial risks and to meet planned commitments in future years.

Schools are encouraged to retain, where possible, a modest balance towards future liabilities and potential need for replacement of equipment. In order to allow the local authority to monitor schools' financial positions, governing bodies will be asked to report to the local authority on the use which the schools intend to make of surplus balances. The local authority will focus particularly on those schools which have built up significant excessive uncommitted balances and/or where some level of redistribution would support improved provision across a local area.



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET

2 February 2023

**Joint Report of the Managing Director and the Interim Director of
Finance & ICT**

Budget Consultation Results
(Corporate Services and Budget)

1. Divisions Affected

1.1 County-wide.

2. Key Decision

2.1 This is not a Key Decision.

3 Purpose of the Report

3.1 To enable Cabinet to consider the outcome of the Council's budget consultation exercises in formulating its budgetary proposals to Full Council regarding the Revenue Budget for 2023-24.

3.2 This report should be read alongside the following reports to this meeting: the Reserves Position and Reserves Policy Report, the Revenue Budget Report 2023-24 and the Capital Programme Approvals, Treasury Management and Capital Strategies for 2023-24 Report.

4 Information and Analysis

- 4.1 The Council has, for a number of years, undertaken a variety of consultation exercises, using a range of methods, in the preparation of its annual revenue budget. For 2023-24 the Council devised a 'Your Council, Your Voice 2022' survey. As in previous years, this was an in-depth survey, combining both budget and residents' consultations. The headline findings from the survey are being used to refresh the Council Plan for 2023-24 and the budget consultation elements are reported on here. Plans are being formulated to undertake further analysis to support wider strategy development across the Council and engagement with residents and local communities.

Online Survey

- 4.2 The online survey combined both budget and residents' consultations and ran for six weeks, from 3 October 2022 to 13 November 2022. Participation in the survey was encouraged using a variety of methods including social media posts on Twitter and Facebook, and a Facebook advertising campaign which reached 231,358 people and resulted in 13,008 clicks through to the survey. The survey was also publicised in the e-version of the Council's residents' magazine Derbyshire Now, featured in the Our Derbyshire employee newsletter, the Councillors' briefing Members' News, Community eNews and via releases sent to the local media. In addition, 6,000 residents who had previously expressed an interest in being involved in further consultation with the Council were e-mailed the survey directly. A total of 2,431 Derbyshire residents completed the survey online. Last year, the Council attracted 2,550 responses to its survey. The survey response remains strong.
- 4.3 To promote participation amongst residents who are less familiar with, or have no internet access, copies of a paper consultation questionnaire, containing the same questions, were made available on request. A freepost address was used to encourage participation. A small number of paper questionnaires were posted out, but none of these were returned.

- 4.4 The average (mean) age of respondents was 57 years. This compares to an average age of 56 for the 2022-23 consultation. Responses from the over 45 and over 65 age groups have increased compared to the 2022-23 consultation response. These age groups are overrepresented compared to their proportion of the Derbyshire population according to the latest 2021 Census data from the Office for National Statistics (ONS), with responses in these age groups around nine/ten percentage points above their proportion of the Derbyshire population, respectively. Engagement with the under 25 and under 45 age groups has decreased, with responses in each of these age groups around eight percentage points below their proportion of the Derbyshire population. The strongest response is again from the 45-64 age group. Of those responding, 45% were male and 54% were female, with the proportion of female respondents increasing compared to the 2022-23 consultation, where 49% of respondents were male and 51% were female. Females responding to the 2022-23 consultation are overrepresented compared to ONS 2021 Census data for Derbyshire, which indicated that 51% of the Derbyshire population were female.
- 4.5 A map showing the location of respondents across the county is attached at Appendix Two. If survey response rates were to follow the percentage of population in each district, the Council would expect 9% of respondents to be resident in Derbyshire Dales. The analysis shows that residents from Derbyshire Dales are over-represented in the consultation, with 16% of all respondents living in the district. High Peak residents are also over-represented (5% higher), whilst those in South Derbyshire and Erewash are particularly under-represented (5% and 4% lower, respectively). These findings reflect a pattern of response rates which have been seen in all budget consultations since 2020-21.
- 4.6 A total of 19% of respondents identified themselves as having a disability, which is two percentage points higher than the response rate in the 2022-23 budget consultation. This compares to 20% of the population who said that their day-to-day activities were limited in the latest ONS Census for which this data is currently available (2011).
- 4.7 A total of 94% of respondents identified themselves as white, with 6% identifying themselves as BAME (Black, Asian and Minority Ethnic). This is consistent with the percentage of Derbyshire's population who identified themselves as White British/BAME in the latest ONS Census for which this data is available (2011).
- 4.8 Further demographic analysis is attached for consideration at Appendix Three.

- 4.9 Local people were asked six budget consultation questions as part of the budget consultation survey, to establish their views on what the Council's top and bottom three priority services should be. Respondents were also asked for their reasons in choosing priority services and to rank in order of importance nine options the Council could use to save money or raise additional revenue. In addition, respondents were asked whether they had any other suggestions for making savings or raising additional income that the Council should explore.
- 4.10 Of the six budget consultation questions, five required respondents to select their answers from a selection of options provided in the consultation. Respondents were given the option to make further comments on two of the six questions if they had selected 'other' as a reason as to why they had selected their top or bottom three priorities. The option to make further comments in respect of the question on 'how the Council could save money or raise additional revenue' was also provided, allowing respondents to comment freely. Fewer responses were received where respondents were asked to comment freely.
- 4.11 The following views were expressed:
- From a choice of 22 Council services, respondents thought that the top three priorities, with the most popular listed first, should be:
 - 'Highways services including planning and maintenance' (selected by 41% of respondents as being in their top three priority services);
 - 'Supporting public and community transport' (29%); and
 - 'Environmental policy including flooding and climate change' (24%).
 - These are the same first and third-placed priorities as in the 2022-23 budget consultation, with the second-placed priority in 2022-23 being 'waste and recycling centres', which ranked fourth during this year's consultation.
 - In another question, when respondents were asked to select their bottom three priorities from the same list of the Council's services, the least selected services and by implication the most supported in this question, were 'safeguarding and child protection' (2%), followed by 'support for vulnerable children and families' (3%), and 'support for older adults' (4%).
 - The top Council service priority selected by both males and females was 'highways services including planning and maintenance', although 51% of males, compared to 33% of females, chose this service priority.

- The second most popular service priority for males was 'waste and recycling centres' (28%) however for females the second most popular service priority was 'supporting public and community transport' (31%).
- The third most popular service priority for males was 'supporting public and community transport' (27%), and for females it was 'support for older adults' (26%). In the 2022-23 budget consultation there was a convergence of male and female views, with the same service priorities selected by both groups in each of the top three positions. The 2023-24 findings show a divergence, similar to 2021-22.
- The most important reason for choosing the top Council service priorities in the survey was 'important to you or your family' (45%), followed by 'need to protect and support vulnerable people' (35%) and then 'importance of road and public transport issues' (32%). These are the same top three reasons, ranked in the same priority order, as in the budget consultation 2022-23.
- Fewer than 1% of respondents chose to comment further on why they had chosen their top three priorities, with there being broadly equal support from individuals leaving comments for most of the services listed.
- From the same choice of 22 Council services, the priorities which respondents thought were least important (with the ones most frequently selected listed first), are as follows:
 - 'Museums, heritage and arts services' (selected by 39% of respondents as being in their bottom three priority services);
 - 'Grants and aid to voluntary groups' (32%); and
 - 'Adult community education' (25%)
 These are the same top three, in the same ranked order, as in the 2022-23 budget consultation.
- The least selected service as a top priority was 'fostering and adoption services' (1%), followed by 'trading standards' (2%) and 'adult community education' (3%). These are the same three least selected services as in the 2021-22 and 2022-23 budget consultations.
- The bottom two Council service priorities highlighted above were selected most by both males and females, as in 2022-23. However, the third most selected bottom Council service priority was 'adult community education' overall, but 'welfare rights advice' for males and 'trading standards' for females. Again this is the same result as in 2022-23.
- The most important reason for choosing the bottom Council service priorities in the survey was 'other services are more important' (68%), followed by 'difficult to choose' (49%) and then 'not relevant or important to you or your family' (39%). These are the same top three reasons, in the same ranked priority order, as in the budget consultation 2022-23.

- Only 1% of respondents chose to comment further on why they had chosen their bottom three priorities, with the main themes being that all services are important, it is difficult to choose or a choice could not be made.
- Respondents identified the most important of nine options the Council could use to save money or raise additional revenue as follows:
 - 'Work with other councils to deliver shared services'
 - 'Use other ways of delivering services such as local trusts or other 'not for profit' partnerships'
 - 'Put more services on-line'.
- Males and females agreed on the top three choices and their ranking. This year's top three responses are identical to responses to this question in all of the budget consultations that have taken place since 2020-21.
- The least important of the nine options to save money or raise additional revenue, as ranked by both male and female respondents, was 'increase Council Tax'. This was followed by 'increase charges for services supplied to the public', again selected by both male and female respondents. The overall third least important selection was 'maintain services but do less frequently or reduce level of service', although females selected 'reduce or stop delivery of less important services'. This overall order is identical to the order in each of the budget consultations since 2020-21.
- Most people (1,716 respondents) did not make any suggestions on alternative ways for saving money or raising additional revenue. An additional 59 people referred to services that were provided by district/borough councils, or other organisations such as Government or Health. The remaining comments were grouped into a range of topics including:
 - Staffing issues (187 respondents) - including reducing the number of staff, pay, sick leave and pensions of managers and staff.
 - Continually reviewing services to improve efficiency, providing value for money whilst maintaining quality of services, and embracing modern ways of working and best practice, such as working from home and holding online meetings.
 - Highways issues with 67 respondents concerned about issues such as the quality of work on potholes, leading to additional spending.
 - The need to stop outsourcing and using consultants, contractors and agencies (66 respondents).
 - Developing Council sites (50 respondents) - including selling or leasing buildings and property or renting out unused rooms. Combining buildings to produce hubs of services. Reviewing the cost of running Council buildings, such as heating costs and the impact of opening hours.

- Increasing funding (49 respondents) with a variety of suggestions outlined including lobbying Government, instigating a local lottery, using the private sector to help raise finance and charging people who can afford it for services.
- Social care (22 respondents).
- Reviewing Council Tax and rates systems for both domestic and business (19 respondents).
- Consulting and listening to local people (17 respondents).
- Use of alternative energy for buildings and transport (17 respondents).
- Combining local authorities or collaboration (13 respondents).

Focus Groups

4.12 It was agreed as part of the “Your Council, Your Voice 2022” consultation approach that a number of online and face to face focus groups would be held. A total of 29 residents took part in four focus groups (three in person and one online). Participants were split 32% female and 68% male.

4.13 The key issues and findings from the groups are as follows:

- 59% of residents attending the focus groups were satisfied with the way the Council runs things, with 14% being dissatisfied.
- Most participants agreed with the top three priorities. However, many participants were surprised that Adult Social Care did not feature in the top three priorities.
- Participants thought local people should get more engaged and have more information to help them understand the reasoning for budget priorities.
- Residents attending would like to see more information on discretionary spend, and a comparison chart for funds for which the Council has control.
- Residents would like to see how much the spend is per person for services, although this is included in the annual Council Tax leaflet
- There were high levels of dissatisfaction with roads in the county, in particular roads needing repair and the high levels of traffic, which makes it difficult to commute around the county.
- Residents would use public transport more if it was reliable and co-ordinated. There was comparison to transport systems in nearby Sheffield, where residents felt there is a more accessible and reliable transport system.
- Participants perceived that the Council is “reactive” rather than proactive, which many participants thought was the wrong approach.
- Participants felt the Council needs to be more transparent and to better explain the reason for decisions to residents/communities.

- Residents were keen that the Council lobbies Government on specific issues and believe that local Members of Parliament (MPs) should be asked to lobby on behalf of the views of local residents more than they do at present.

4.14 A detailed analysis of the consultation results and themes arising from the comments that participants contributed are included at Appendix Four.

Other Consultation

4.15 The Council's Constitution provides that the Improvement and Scrutiny Committee should also be notified of the budget proposals. There has been regular engagement with the Committee throughout the year. At the 1 December 2022 Committee meeting there was particular emphasis on the production of the forthcoming 2023-24 budget, when a report was presented and a discussion was held. There was unanimous agreement of the report recommendations, with the Committee noting:

- The Revenue Budget Forecast Outturn for 2022-23, as at Quarter 1 (30 June 2022).
- That there was likely to be a significant shortfall in the Revenue Budget 2023-24 based on currently known information.
- The ongoing work to identify further savings options, to reduce the 2023-24 Revenue Budget shortfall and therefore mitigate the use of one off-reserves to deliver a balanced budget.
- The key announcements in the Autumn Statement 2022 relevant to Local Government.

4.16 The Committee expressed an understanding at this meeting of the Council's potential financial position but noted that the Provisional Local Government Finance Settlement would provide more detail in respect of 2023-24 funding, when the final extent of any 2023-24 Revenue Budget shortfall, requiring additional savings or the use of one-off reserves to deliver a balanced budget, would be known.

4.17 At this meeting there were also several comments, questions and views expressed by members of the Committee in respect of the 2023-24 budget. These were around the following broad issues:

- The difficulties in forecasting inflation as it is not 'an exact science', with a variety of sources being used, including data provided by the Office of National Statistics (ONS); in-house information and expertise, for example in respect of energy pricing; and external financial market advice provided by the Council's Treasury Management Advisors.

- The implications of receiving higher than expected grants in the Local Government Finance Settlement, and how these would be treated if so. These would provide ongoing funding in the budget base if funding were likely to be recurring in nature, or otherwise provide support for one-off expenditure if not.
- The Committee were supportive of challenging Executive Directors on the use of Earmarked Reserves balances.
- There was acknowledgment that whilst the Autumn Statement 2022 has increased Council Tax referendum limits, permitting 2023-24 Council Tax increases up to 5% for the Council, the extent of the Council Tax increase is a matter for the Council and is not to be prescribed by Government.

4.18 The Council sought the views of the trade unions by consulting with them on the Council's budget proposals at the Corporate Joint Committee meeting held on 19 January 2023. At the meeting the trade unions were keen to understand the additional costs of the 2022-23 pay award and estimates for the 2023-24 pay award. A discussion was also held in respect of estimated inflationary increases in the short to medium-term.

4.19 In addition, the Local Government Finance Act 1992 requires local authorities to consult representatives of business ratepayers in their area about the budget proposals for each financial year. The Council is seeking the views of business ratepayers by corresponding with representatives of the East Midlands Chamber of Commerce (Derbyshire, Nottinghamshire and Leicestershire), the CBI East Midlands and the Nottinghamshire and Derbyshire Federation of Small Businesses on the Council's budget proposals. A verbal update will be provided at this meeting.

5 Consultation

5.1 The purpose of this report is to consider the outcome of the consultation undertaken to support the formulation of the Revenue Budget for 2023-24.

6 Alternative Options Considered

6.1 Do Nothing – this is not an option, as it is a legal requirement for the Council to consult on its Revenue Budget proposals. These requirements are set out below.

- 6.2 Under section 65 of the Local Government Finance Act 1992, as a major precepting authority, the Council has a statutory duty to consult ratepayer representatives on its annual expenditure proposals, ahead of setting its budget. Certain prescribed information must be sent to the persons the Council proposes to consult as soon as practicable and, in any event, not later than 15 February by virtue of the Non-Domestic Ratepayer (Consultation) Regulations 1992.
- 6.3 The Council also has a statutory duty under the Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness and when determining how to discharge this duty has to consult representatives of a wide range of local persons. In performing these statutory duties the Council must have regard to statutory guidance issued by the Secretary of State.
- 6.4 Obligations set out in the Budget and Policy Framework included in the Council's Constitution require consultation with stakeholders.
- 6.5 Case law has established minimum requirements of consultation, which are:
- Consultation must be at a time when proposals are at a formative stage.
 - Sufficient information must be given to permit a person to "give an intelligent consideration and response".
 - Adequate time must be given for consideration and response.
 - The results of the consultation must be conscientiously taken into account in finalising any proposal and provided to the decision maker to inform their decision.
- 6.6 The type and extent of consultation must be proportionate to the potential impact of the proposals. The consultation exercise must be conducted in a timely fashion to enable sufficient time for the budget to be approved by Cabinet and Council in accordance with the timescales set out in the report.
- 6.7 The consultation activities set out in the report meet the necessary legislative and Constitutional requirements.

7 Implications

- 7.1 Appendix One sets out the relevant implications considered in the preparation of the report.

8 Background Papers

8.1 Not applicable.

9 Appendices

9.1 Appendix One – Implications.

9.2 Appendix Two – Map - Location of Your Council Your Voice 2022 Survey Respondents.

9.3 Appendix Three – Demographic Profile of Budget Consultation Respondents.

9.4 Appendix Four – Budget Consultation - Analysis of Consultation Responses.

10 Recommendations

That Cabinet:

10.1 Takes into account the views of consultation respondents in formulating its proposals to Full Council regarding the Revenue Budget for 2023-24.

11 Reasons for Recommendation

11.1 When setting the Revenue Budget, the Council must be mindful of the potential impact on service users. The consultation exercises which have been undertaken in the preparation of the Revenue Budget for 2023-24 are relevant in this respect. The responses to these consultation exercises must be conscientiously taken into account when setting the Revenue Budget.

12. Is it necessary to waive the call in period?

12.1 No

Report Author:
Eleanor Scriven

Contact details:
eleanor.scriven@derbyshire.gov.uk

Implications

Financial

- 1.1 The outcomes of these consultations should be used to inform service planning and help determine budget priorities.

Legal

- 2.1 Members are invited to have regard to the advice contained in the Revenue Budget Report 2023-24. In addition:
- 2.2 Under section 65 of the Local Government Finance Act 1992, as a major precepting authority, the Council has a statutory duty to consult ratepayer representatives on its annual expenditure proposals, ahead of setting its budget. Certain prescribed information must be sent to the persons the Council proposes to consult as soon as practicable and, in any event, not later than 15 February by virtue of the Non-Domestic Ratepayer (Consultation) Regulations 1992.
- 2.3 The Council also has a statutory duty under the Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness and when determining how to discharge this duty has to consult representatives of a wide range of local persons.
- 2.4 In performing these statutory duties the Council must have regard to statutory guidance issued by the Secretary of State.
- 2.5 The obligations set out in the Budget and Policy Framework included in the Constitution are as outlined in the body of the report.
- 2.6 Case law has established minimum requirements of consultation, which are:
 - Consultation must be at a time when proposals are at a formative stage.
 - Sufficient information must be given to permit a person to “give an intelligent consideration and response”.
 - Adequate time must be given for consideration and response.
 - The results of the consultation must be conscientiously taken into account in finalising any proposal and provided to the decision maker to inform their decision.

- 2.7 The type and extent of consultation must be proportionate to the potential impact of the proposals. The consultation exercise will be conducted in a timely fashion to enable sufficient time for the budget to be approved by Cabinet and Council in accordance with the timescales set out in the report.
- 2.8 The consultation activities set out in the report meet the necessary legislative and Constitutional requirements.

Human Resources

- 3.1 None

Information Technology

- 4.1 None

Equalities Impact

- 5.1 To promote participation amongst residents who are less familiar with, or have no internet access, copies of a paper consultation questionnaire, containing the same questions, were made available on request. A freepost address was used to encourage participation. To extend participation in the consultation, a number of online and face to face focus groups were held.
- 5.2 This report includes details on the proportion of budget consultation respondents with different protected characteristics. These characteristics include age, gender, disability and ethnicity. Responses from respondents with these characteristics are broadly in line with population data.
- 5.3 A detailed Equalities Impact Assessment (EIA) has been carried out which ensures that the Council's annual Revenue Budget proposals are formulated taking into account the impact that these proposals may have on local people, including those with protected characteristics under the Equality Act 2010. The EIA also takes into account views received from people with protected characteristics which have been received as part of the 2023-24 budget consultation exercise. The Equalities Impact Assessment is attached at Appendix Eight of the Revenue Budget Report 2023-24.

Corporate objectives and priorities for change

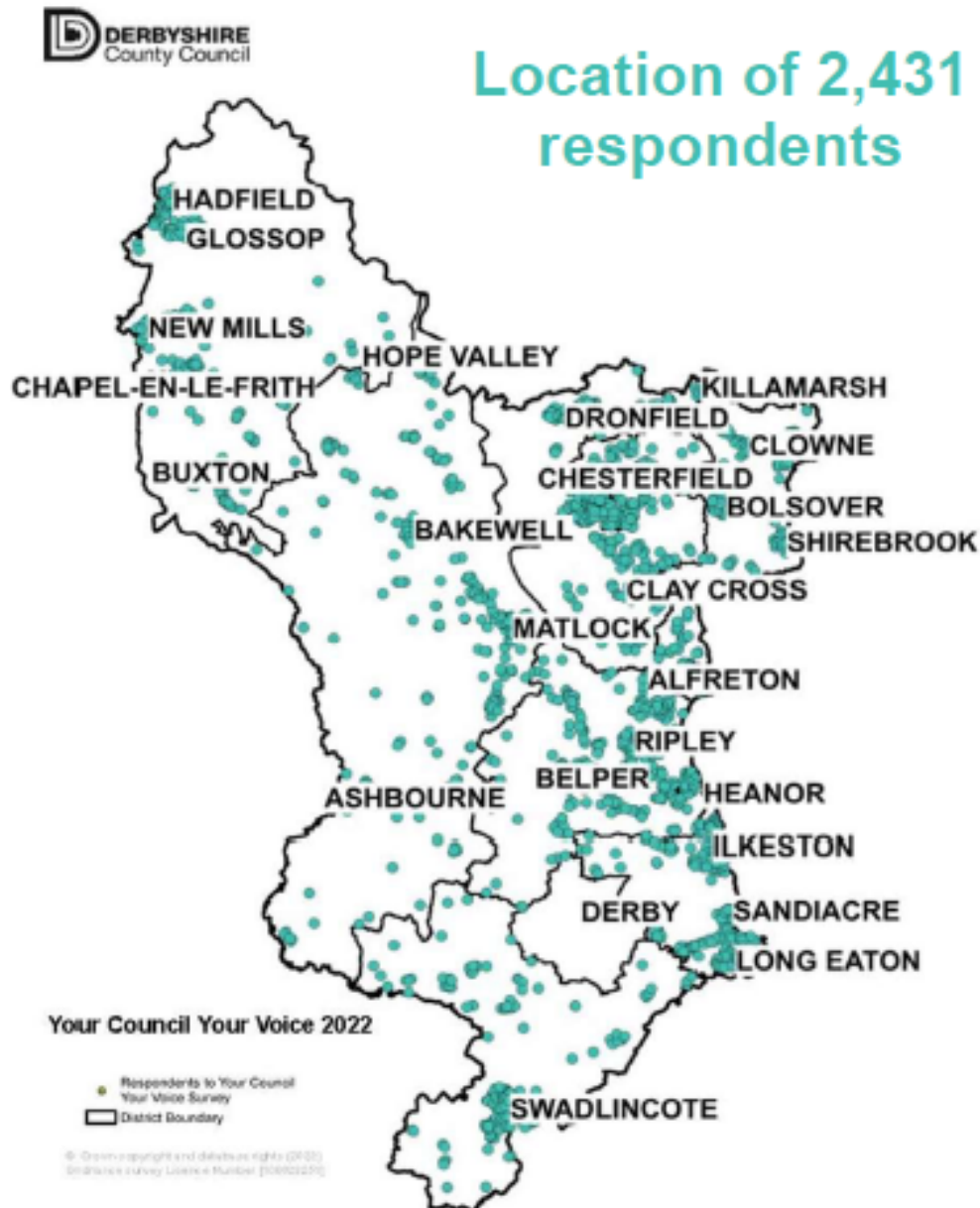
- 6.1 The Council Plan values commit to spending money wisely, making the best use of the resources that the Council has.

- 6.2 The Council is committed to ensuring good financial management and compliance with applicable laws and regulations. The Council is committed to ensuring that it sets a balanced budget over the medium-term, therefore ensuring good financial management and use of reserve balances to meet the costs of any unforeseeable events.

Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

- 7.1 None

Map - Location of Your Council Your Voice 2022 Survey Respondents



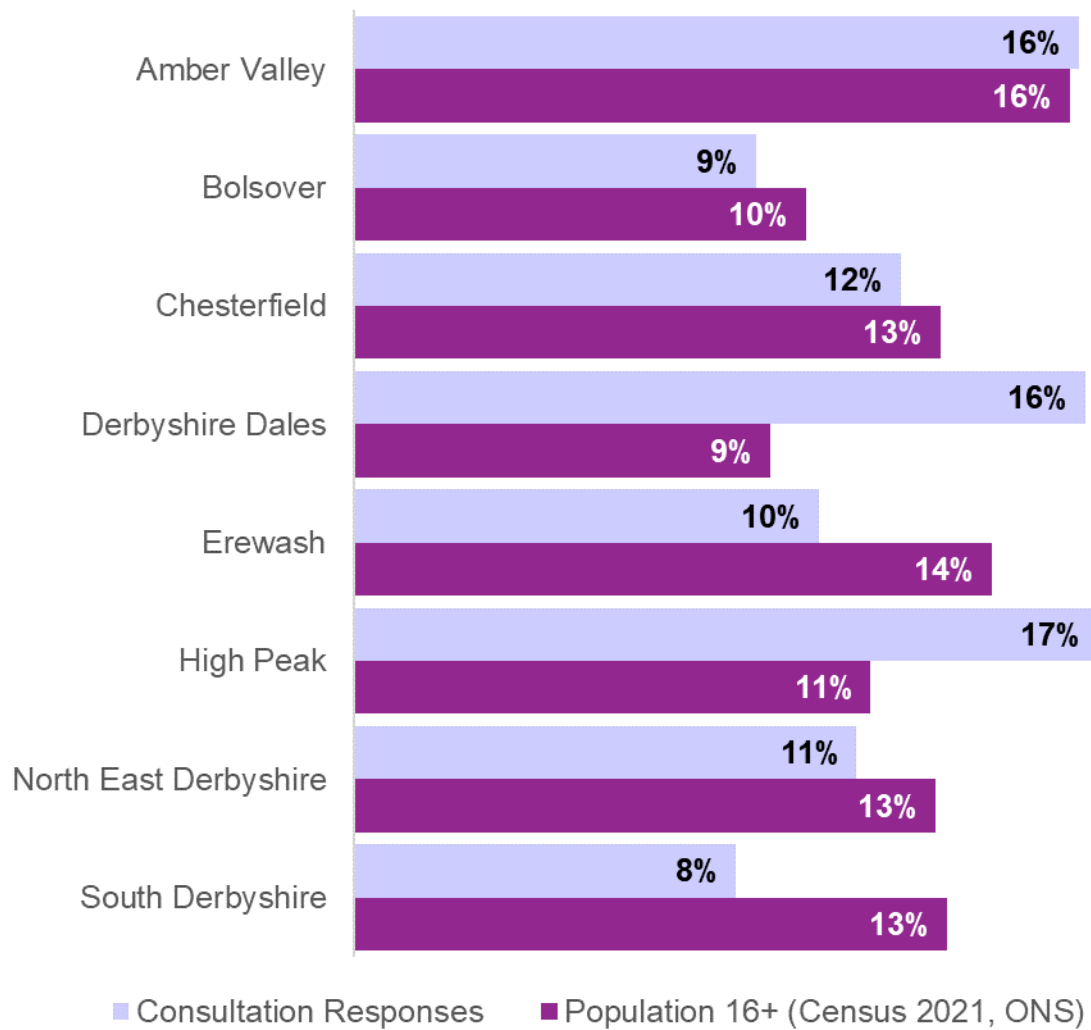
Demographic Profile of Budget Consultation Respondents

A total of 2,473 people responded to the consultation, but the analysis included in this report looks at the answers of 2,431 respondents. The survey stated that it was only open to residents who live within the administrative county of Derbyshire, so the analysis excludes the responses of 13 people who live outside Derbyshire, and 29 people who submitted multiple entries. The total number of respondents will vary for individual questions as not all respondents answered all of the questions. All responses were completed online. A small number of paper questionnaires were posted out to residents, but none were returned.

Location

The Derbyshire District of consultation respondents supplying a valid postcode has been compared to the distribution of the Derbyshire population aged 16+ according to the latest Office for National Statistics (ONS) 2021 Census Data.

District	Consultation Responses		Population 16+ (Census 2021, ONS)		% point difference (Respondents - Population)	
	Number	%	Number	%		
Amber Valley	357	16%	105,058	16%	0.2%	↑
Bolsover	198	9%	66,282	10%	-1.1%	↓
Chesterfield	269	12%	86,002	13%	-0.9%	↓
Derbyshire Dales	360	16%	61,059	9%	7.0%	↑
Erewash	229	10%	93,523	14%	-3.8%	↓
High Peak	366	17%	75,657	11%	5.1%	↑
North East Derbyshire	247	11%	85,273	13%	-1.8%	↓
South Derbyshire	188	8%	86,949	13%	-4.7%	↓
Total	2,214	100%	659,803	100%		

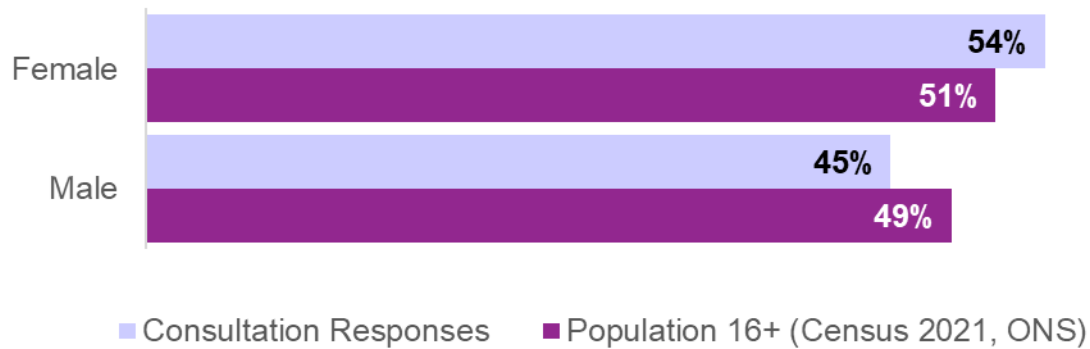
Comparison of consultation respondents and population aged 16+ by district

Gender

The gender and age profile of respondents have also been compared to the profile of all residents in the latest Office for National Statistics (ONS) 2021 Census Data.

Sex	Consultation Responses		Population 16+ (Census 2021, ONS)		% point difference (Respondents - Population)	
	Number	%	Number	%		
Female	1,301	54%	338,696	51%	3.0%	↑
Male	1,077	45%	321,143	49%	-3.7%	↓
Total	2,378	99%	659,839	100%		

Comparison of consultation respondents and population aged 16+ by sex



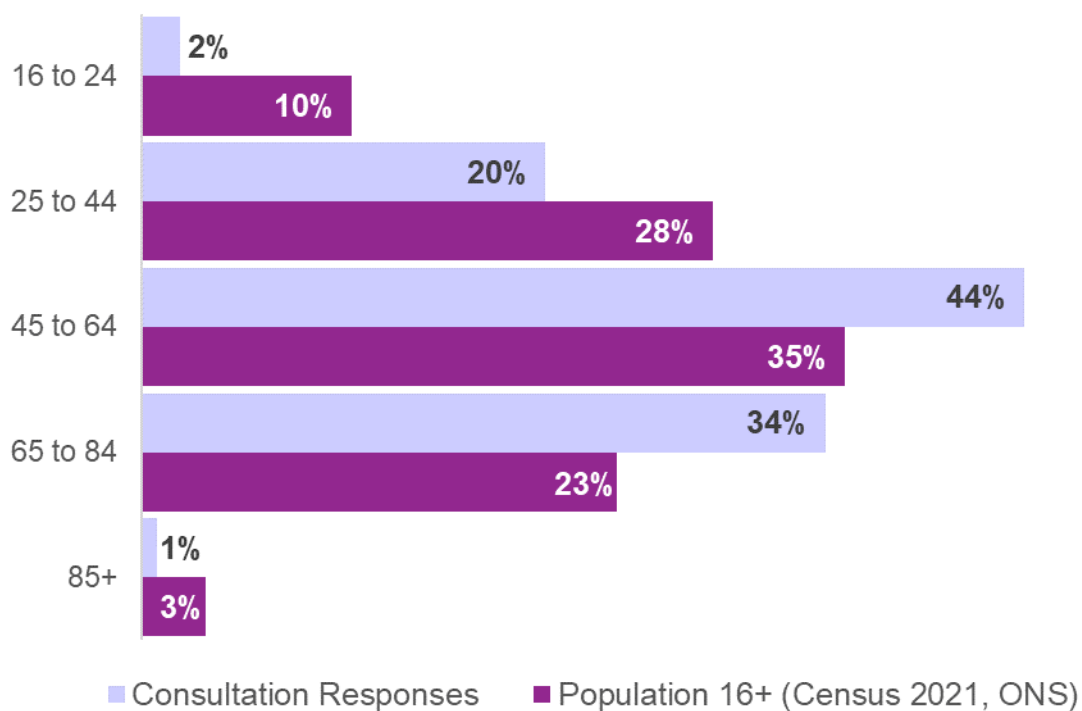
Age

Appendix Three

Age Band	Consultation Responses		Population 16+ (Census 2021, ONS)		% point difference (Respondents - Population)	
	Number	%	Number	%		
16 to 24	44	2%	66,443	10%	-8.2%	↓
25 to 44	466	20%	186,248	28%	-8.3%	↓
45 to 64	1,019	44%	229,455	35%	8.8%	↑
65 to 84	789	34%	154,791	24%	10.3%	↑
85+	15	1%	20,903	3%	-2.5%	↓
Total	2,333	100%	657,840	100%		

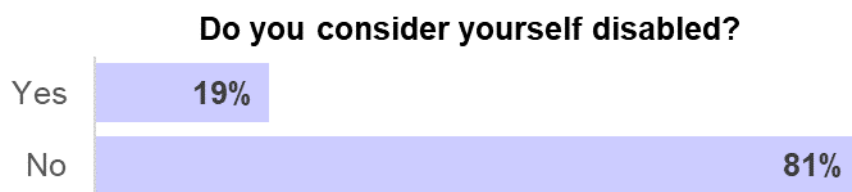
The average age of respondents was 57 years.

Comparison of consultation respondents and population aged 16+ by age band



Disability

Do you consider yourself disabled?	Consultation Responses	
	Number	%
Yes	424	19%
No	1,861	81%
Total	2,285	100%



Ethnic Group

What is your ethnic group?	Consultation Responses	
	Number	%
White	2,252	94%
BAME	134	6%
Total	2,386	100%

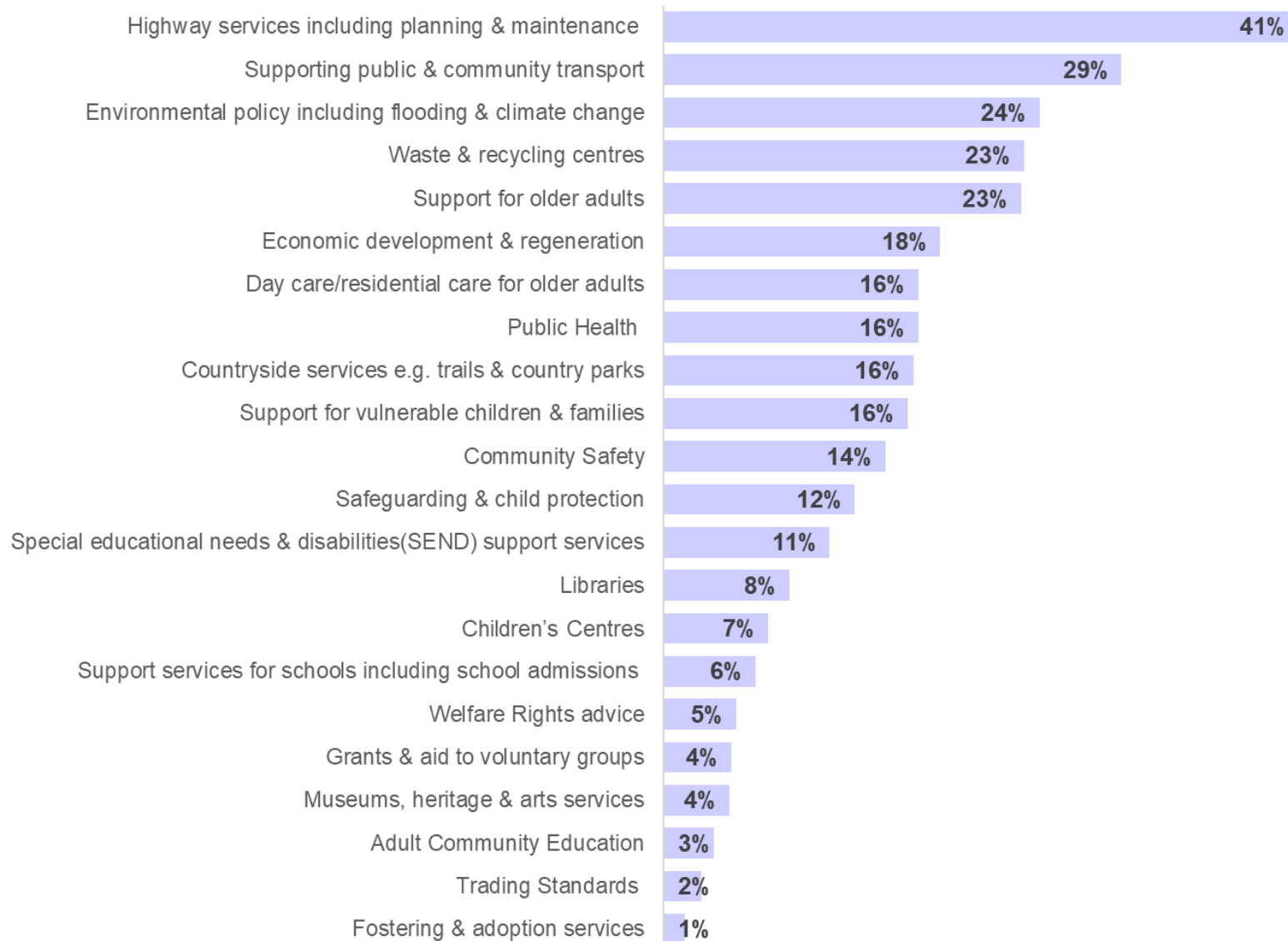


Budget Consultation - Analysis of Consultation Responses

All Derbyshire Respondents

From the list of services below provided by Derbyshire County Council please select your top three priorities:			
Priority	Consultation responses		
	Number	Percentage	Rank
Highway services including planning & maintenance	983	41%	1
Supporting public & community transport	709	29%	2
Environmental policy including flooding & climate change	582	24%	3
Waste & recycling centres	558	23%	4
Support for older adults	554	23%	5
Economic development & regeneration	428	18%	6
Day care/residential care for older adults	394	16%	7
Public Health	394	16%	7
Countryside services e.g. trails & country parks	387	16%	8
Support for vulnerable children & families	378	16%	9
Community Safety	343	14%	10
Safeguarding & child protection	296	12%	11
Special educational needs & disabilities(SEND) support services	256	11%	12
Libraries	194	8%	13
Children's Centres	162	7%	14
Support services for schools including school admissions	142	6%	15
Welfare Rights advice	112	5%	16
Grants & aid to voluntary groups	105	4%	17
Museums, heritage & arts services	102	4%	18
Adult Community Education	78	3%	19
Trading Standards	58	2%	20
Fostering & adoption services	32	1%	21
Total	7,247		

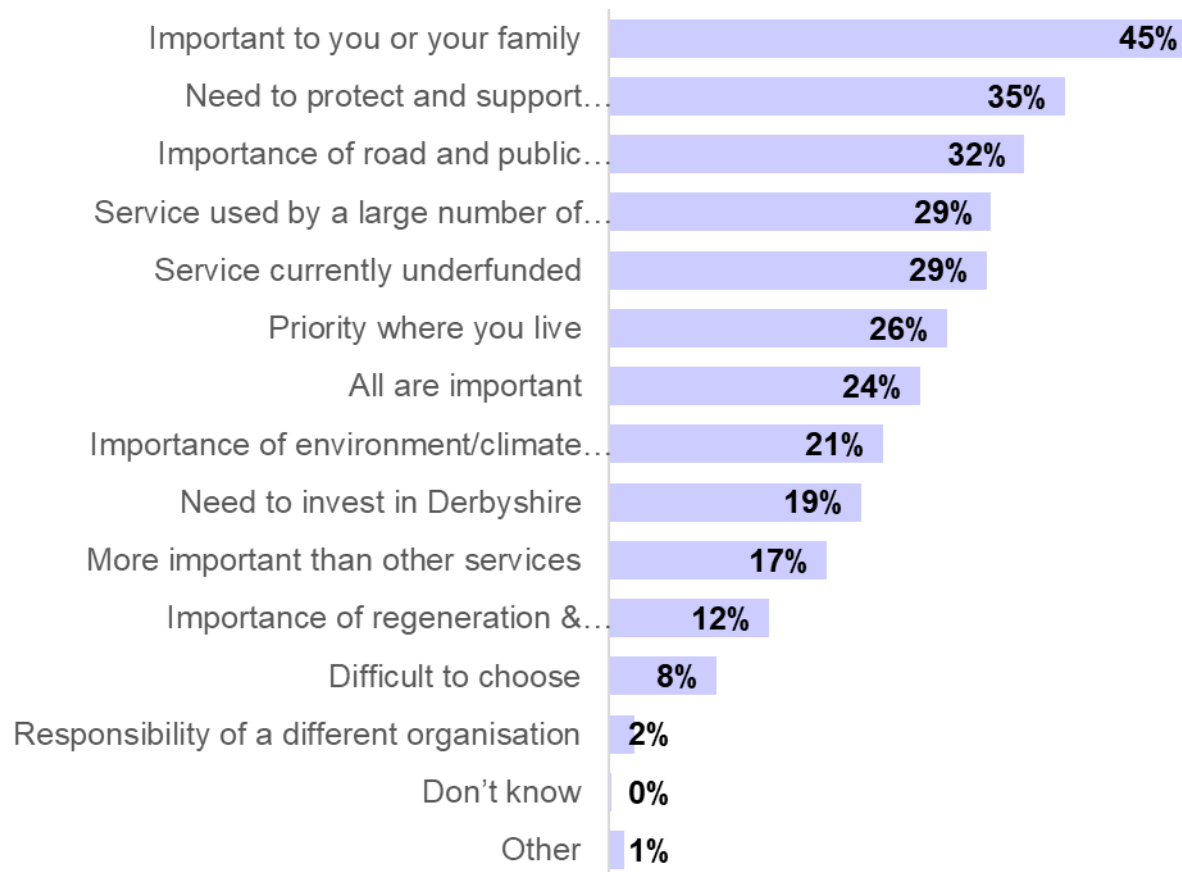
From the list of services below provided by Derbyshire County Council please select your top three priorities:



Why have you chosen these services as your top three priorities?

Reason	Consultation Responses		
	Number	Percentage	Rank
Important to you or your family	1,365	45%	1
Need to protect and support vulnerable people	1,058	35%	2
Importance of road and public transport issues	965	32%	3
Service used by a large number of people	887	29%	4
Service currently underfunded	877	29%	5
Priority where you live	785	26%	6
All are important	722	24%	7
Importance of environment/climate change	636	21%	8
Need to invest in Derbyshire	585	19%	9
More important than other services	504	17%	10
Importance of regeneration & economic development	371	12%	11
Difficult to choose	248	8%	12
Responsibility of a different organisation	60	2%	13
Don't know	5	0%	14
Other	34	1%	15
Total	9,102		

Why have you chosen these services as your top three priorities?



Fewer than 1% of respondents chose to comment further on why they had chosen their top three priorities, with there being broadly equal support from individuals leaving comments for most of the services listed.

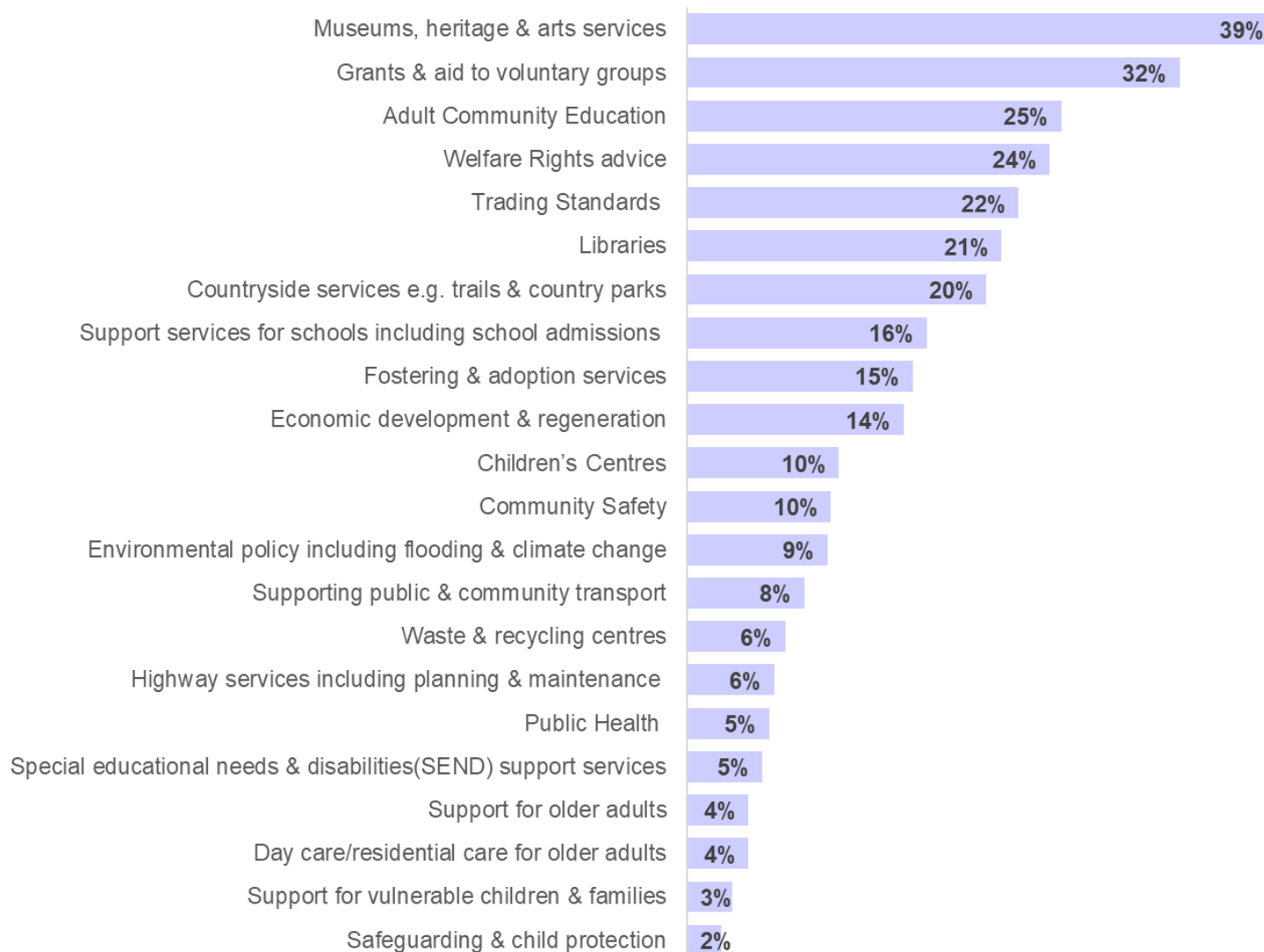
Examples of comments include:

- Particular issues in some areas, others affect big overarching needs for urgent action.
- I could have happily chosen more - far too many conflicting priorities.
- A need to protect the area and make it easier for people to go to work without using private vehicles.
- There are many vital services provided by the Council. Far more than the top three selected.
- Important to maintain the public ownership of beauty spots and local walks - thank you Derbyshire.
- The two ticked are the most relevant to me now. Others were in the past, some will become so.
- Aware you have been cutting these services.
- I work in the charity sector and am aware of the general under funding of services for vulnerable people.
- Voluntary mental health services are desperate for funding.
- All are important. I am ashamed by the Government's inability to properly fund local councils.
- All the options were basic vital things to help communities thrive. Choosing three is impossible.
- Libraries support many vulnerable and poorly paid people to get work, warmth, benefits, literacy.
- Need to invest in the future generations of the area.
- Aware of some of these services, but quite unaware of some others.
- Investing in children is sensible long-term planning.
- Libraries offer a local accessible way of finding out about all other services.
- All are important, but an individual can only prioritise based on personal experience.
- I did not choose. Shouldn't have to choose between necessary services.
- Picking three out of twenty two doesn't even make sense, most are essential services.
- Public Transport is vital for vulnerable people and for helping people get out of poverty.
- Should not have to choose. All are important to quality of life here.

From the list of services below provided by Derbyshire County Council please select your bottom three priorities:

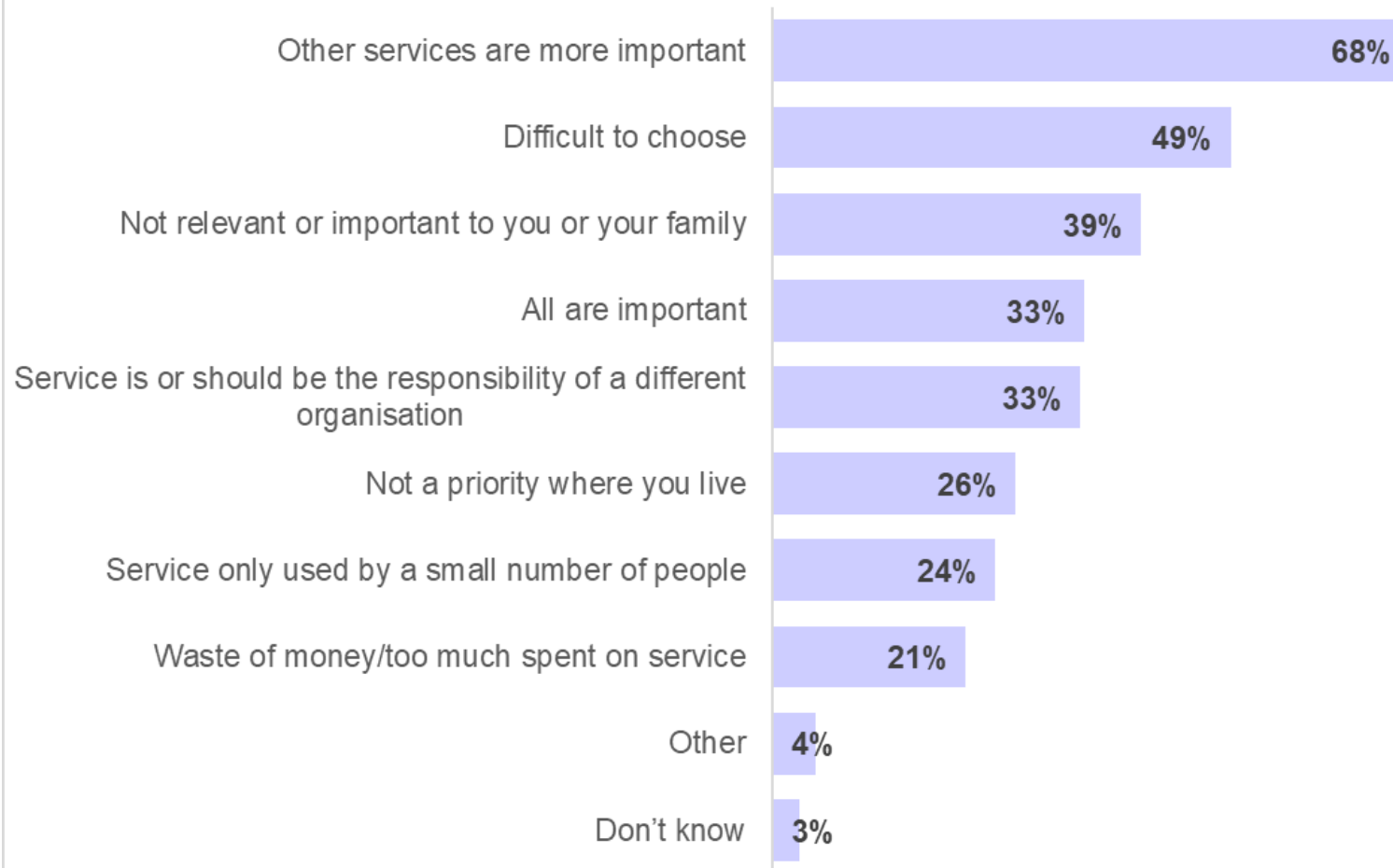
Priority	Consultation Responses		
	Number	Percentage	Rank
Museums, heritage & arts services	846	39%	1
Grants & aid to voluntary groups	707	32%	2
Adult Community Education	537	25%	3
Welfare Rights advice	520	24%	4
Trading Standards	476	22%	5
Libraries	451	21%	6
Countryside services e.g. trails & country parks	430	20%	7
Support services for schools including school admissions	344	16%	8
Fostering & adoption services	324	15%	9
Economic development & regeneration	311	14%	10
Children's Centres	218	10%	11
Community Safety	207	10%	12
Environmental policy including flooding & climate change	202	9%	13
Supporting public & community transport	169	8%	14
Waste & recycling centres	141	6%	15
Highway services including planning & maintenance	126	6%	16
Public Health	119	5%	17
Special educational needs & disabilities(SEND) support	109	5%	18
Support for older adults	89	4%	19
Day care/residential care for older adults	89	4%	20
Support for vulnerable children & families	65	3%	21
Safeguarding & child protection	49	2%	22
Total	6,529		

From the list of services below provided by Derbyshire County Council please select your bottom three priorities:



Why have you chosen these services as your bottom three priorities?			
Reason	Consultation Responses		
	Number	Percentage	Rank
Other services are more important	1,119	68%	1
Difficult to choose	805	49%	2
Not relevant or important to you or your family	647	39%	3
All are important	547	33%	4
Service is or should be the responsibility of a different organisation	540	33%	5
Not a priority where you live	427	26%	6
Service only used by a small number of people	391	24%	7
Waste of money/too much spent on service	339	21%	8
Other	74	4%	9
Don't know	46	3%	10
Total	4,935		

Why have you chosen these services as your bottom three priorities?



Only 1% of respondents chose to comment further on why they had chosen their bottom three priorities, with the main themes being that all services are important, it is difficult to choose or a choice could not be made.










Examples of comments include:

- Believe all are important but had to choose three.
- It is unreasonable to ask which are not a priority - they all need doing.
- When Government makes such huge cuts to funding, hard choices must be made.
- Business will do economic regeneration due to the M1 and rail links.
- Welfare advice is not regional, a national helpline could fulfil, likewise trading standards.
- Can be done by other agencies.
- Rather you supported everything but appreciate your budget constraints and something has to go.
- All are already underfunded. Losing these services does not cause as much loss of lives.
- Welfare Rights could be done by Citizen's Advice.
- All are important in their own right.
- Funding should be given to essential services only. All the desirable [services] need cutting out.
- Those selected seem relatively well served already - though maintaining standards will be an issue.
- All are important - there is no bottom three.
- All are important and some services are more important to some people.
- Children's centres have been cut so far that they are basically useless.
- Incredibly difficult to pick out the least useful services because they are all useful.
- This is an almost impossible choice - the Council is responsible for delivering them all.
- Ignored options as all are important to overall community wellbeing.
- Outdated, old fashioned and not relevant in the twenty first Century.
- All services on offer are important to someone in the community - choices made apply to me.
- There should be less spent on increasing the highway network, more on maintenance.
- Services are lovely to have, and are important but are coming as a priority before welfare of elderly.
- All of these can be managed by third party investors.
- I personally use these the most, their loss would be tragic, but vulnerable people are the priority.
- Cutting waste is better than managing it.
- I just don't feel regeneration is of priority. This would be nice but not as much as young lives.

- I feel it would be selfish of me to select services that are not important to me.
- I don't have enough knowledge, some services may be valuable, others useless. I don't know.
- So much of adult education and arts funding is already removed, that it is pointless or not near me now.
- This is a false exercise. We need to support all services.
- Impossible to prioritise without far more awareness of impact.
- Community safety is a police matter.
- The wellbeing of the citizens should be the paramount issue of the Council.
- All services are important but these are the areas that do least damage if underfunded.
- They already get good funding and support.
- The remaining actions I feel all hold the same priority.
- There are enough charitable organisations that give grants/funding out there.
- There seems to already be a lot of support for older people.
- Not all of us are able to use the arts or get to them or from them due to public transport.
- Haven't picked any as all services very important Especially to vulnerable people in communities.

Please rank the following options that the Council could use to save money or raise additional revenue from 1 to 9 in order of importance.

(Please rank the option you consider most important as 1, the second most important as 2 through to the least important option as 9)

Rank		Option
	1	Work with other councils to deliver 'shared services'
	2	Use other ways of delivering services such as local trusts or other 'not for profit' partnerships
	3	Put more services on-line
	4	Reduce the number of properties the Council owns
	5	Use Council assets to win business from the private sector
	6	Reduce or stop delivery of less important services
	7	Maintain services but do less frequently or reduce level of service
	8	Increase charges for services supplied to the public
	9	Increase Council Tax

If you have any other suggestions for how you think the Council could save money or raise additional revenue, please provide details.

Most people (1,716 respondents) did not make any suggestions on alternative ways for saving money or raising additional revenue. An additional 59 people referred to services that were provided by district/borough councils or other organisations such as the Government or health. The remaining comments were grouped into a range of topics including:

- Staffing issues (187 respondents) - including reducing the number of staff, pay, sick leave and pensions of managers and staff. Also, continually reviewing services to improve efficiency, providing value for money whilst maintaining quality of services, and embracing modern ways of working and best practice, such as working from home and holding online meetings.
- Highways issues (67 respondents) - concerned about issues such as the quality of work on potholes, leading to additional spending.
- Stop outsourcing and using consultants, contractors and agencies (66 respondents).
- Developing Council sites (50 respondents) – selling or leasing buildings and property or renting out unused rooms. Combining buildings to produce hubs of services. Reviewing the cost of running Council buildings, such as heating costs and the impact of opening hours.
- Increasing funding (49 respondents) - various ways including lobbying Government, instigating a local lottery, using the private sector to help raise finance and charging people who can afford it for services.
- Social care (22 respondents).
- Reviewing Council Tax and rates systems for both domestic and business (19 respondents).
- Consulting and listening to local people (17 respondents).
- Use of alternative energy for buildings and transport (17 respondents).
- Combining local authorities or collaboration (13 respondents).

Examples of comments include:

- Lobby Government to reinstate funding cuts made since 2010.
- Sell off property that the Council owns that is not in use.
- Actually listen to residents.
- Make people pay for the services they want because of their own personal lifestyle choices.
- Reduce the number of senior administration staff, senior deputies and non-productive personnel
- Do things right first time.
- Work more on saving waste and look at a restructure at County Hall and redeploy staff at a local level.

- Put more pressure on the Government to properly fund services. Levelling Up?
- You put Council Tax up this year to support social care, yet the level of care has reduced.
- Listen properly to the public on their concerns, take action after asking.
- Let the private sector hire or rent out office rooms in Council buildings, such as County Hall, Matlock.
- Get everybody back in the office and working together.
- Focus on doing the important things really well.
- Improve roads in Derbyshire instead of increasing cycle paths.
- Charge utility companies who have created potholes on Derbyshire roads.
- Stop giving money to businesses, close County Hall, reduce top salaries, increase business rates.
- Lobby the Government for better resources. Invest in wind farms and solar farms.
- Open day centres again, a 1:4 care ratio is cheaper than 1:1.
- Review all priorities and assets more frequently.
- Increase efficiency incentives for getting the job done.
- Stop using external consultants and private sector companies.
- Use more technology to reduce meetings at all levels.
- Invest more in green energy, including promoting local residents' schemes.
- Make the Snake Pass a toll road.
- Solar panel farms on Council property.
- Provide a shared purchasing scheme for businesses to bring the cost down for all including the Council.
- Look at what can be offshored /outsourced.
- Look more into how to make cuts in social care. Maybe encourage families to do more for relatives.
- Joint ventures with private investors.
- Work closely with surrounding councils so as not to duplicate workloads.
- Start a local Lottery.
- Do more to involve the public. Perhaps use more places like social media to get them involved.
- Have a forum in each area, for people to come together to make suggestions that are relevant.
- Train staff to deal with issues on time and right first time to improve efficiency.
- Combine County and Borough/District councillors to reduce numbers. Look at combining services.
- Take the money out of savings and spend on essentials now.
- Involve personnel doing the actual jobs in coming up with cost cutting ideas.
- Open school facilities, for example the sports function.
- Amalgamate management groups to cut management staffing levels.

- Give a range of costs or payment options. People who can choose to pay higher fees have the choice.
- Better management of in-house services would save money. Too much emphasis on political correctness.
- Use business improvement techniques to review services and reduce waste.
- Consult more on initiatives and ideas. Some things appear great but are not always value.
- Joint working.
- Increase the amount of front line, back-office workers to actually do the work, get rid of managers.
- Extend apprenticeships, sell off spare spaces.
- Ask for local volunteers to help with some tasks. Some retired people would be more than willing.
- Central supplies for schools, workshops and offices based on genuine bulk buy savings.
- Make a small entrance charge to museums.
- Put more services in one place for easy access. For example, a library that is already open.
- Use County Hall more effectively to host events, conferences etc. Do not sell off property, use it.
- Running more things for profit. For example Elvaston Castle, run correctly, could be very profitable.
- Close the small, underused libraries and concentrate services from larger libraries.
- Focus on early intervention for young children which will save money in the long term.
- Independent living facilities to ease care home use.
- Turn off street lighting after 01:00am.
- Employee quality staff who know what they are doing, stop sub-contracting.
- Consider more preventative services.
- Have a regular 'good idea' competition.
- Focus on core services without duplicating the work of others.
- Stop trying to merge with other councils, this will not save money and contact will be lost.
- Reduce fraud - carry out due diligence when allocating funds to people.
- Work smarter. Be less risk adverse.
- Save money by closing public places earlier or open later. Use online services.
- Stop using Joint Venture Partnerships, they cost more, with no control on spending.
- Work in partnership with local businesses to share cost and benefits of local projects and investment.
- Reduce internal red tape.

- Social care is too role-oriented and has lost the common sense and caring role to paper-filling.
- Close any final salary pension schemes.
- No lighting up of exterior buildings, all office lights in all buildings turned off from 7pm.

Analysis of Consultation Responses – All Derbyshire Respondents By Gender

From the list of services below provided by Derbyshire County Council please select your top three priorities:

Priority	Consultation responses - by sex					
	Male		Female		All respondents	
	Number	%	Number	%	No.	%
Highway services including planning & maintenance	542	51%	423	33%	983	41%
Supporting public & community transport	292	27%	400	31%	709	29%
Environmental policy including flooding & climate change	257	24%	313	24%	582	24%
Waste & recycling centres	304	28%	248	19%	558	23%
Support for older adults	200	19%	337	26%	554	23%
Economic development & regeneration	219	20%	198	15%	428	18%
Public Health	194	18%	192	15%	394	16%
Day care/residential care for older adults	151	14%	235	18%	394	16%
Countryside services e.g., trails & country parks	202	19%	177	14%	387	16%
Support for vulnerable children & families	139	13%	235	18%	378	16%
Community Safety	147	14%	187	14%	343	14%
Safeguarding & child protection	98	9%	196	15%	296	12%
Special educational needs & disabilities (SEND) support services	77	7%	171	13%	256	11%
Libraries	65	6%	124	10%	194	8%
Children's Centres	57	5%	102	8%	162	7%
Support services for schools including school admissions	61	6%	75	6%	142	6%
Welfare Rights advice	38	4%	69	5%	112	5%
Grants & aid to voluntary groups	37	3%	67	5%	105	4%
Museums, heritage & arts services	50	5%	51	4%	102	4%
Adult Community Education	26	2%	52	4%	78	3%
Trading Standards	37	3%	16	1%	58	2%
Fostering & adoption services	16	1%	16	1%	32	1%
Total	3209	300%	3,884	300%	7,247	300%

From the list of services below provided by Derbyshire County Council please select your bottom three priorities:

Priority	Consultation responses - by sex					
	Male		Female		All respondents	
	Number	%	Number	%	No.	%
Museums, heritage & arts services	355	36%	475	42%	846	39%
Grants & aid to voluntary groups	343	35%	351	31%	707	32%
Adult Community Education	244	25%	278	24%	537	25%
Welfare Rights advice	267	27%	244	21%	520	24%
Libraries	225	23%	217	19%	451	21%
Trading Standards	186	19%	281	25%	476	22%
Countryside services e.g. trails & country parks	165	17%	260	23%	430	20%
Support services for schools including school admissions	153	15%	185	16%	344	16%
Fostering & adoption services	142	14%	174	15%	324	15%
Economic development & regeneration	133	13%	170	15%	311	14%
Children's Centres	102	10%	109	10%	218	10%
Community Safety	100	10%	105	9%	207	10%
Environmental policy including flooding & climate change	99	10%	98	9%	202	9%
Supporting public & community transport	84	8%	80	7%	169	8%
Waste & recycling centres	58	6%	81	7%	141	6%
Highway services including planning & maintenance	51	5%	72	6%	126	6%
Public Health	48	5%	68	6%	119	5%
Special educational needs & disabilities(SEND) support services	53	5%	53	5%	109	5%
Day care/residential care for older adults	47	5%	40	4%	89	4%
Support for older adults	55	6%	33	3%	89	4%
Support for vulnerable children & families	35	4%	28	2%	65	3%
Safeguarding & child protection	30	3%	18	2%	49	2%
Total	2975	300%	3,420	300%	6,529	300%

Please rank the following options that the Council could use to save money or raise additional revenue in order of importance (Please rank the option you consider most important as 1, the second as 2 through to the least important as 9)			
	Consultation responses by sex		
	Male	Female	All respondents
Work with other councils to deliver 'shared services'	1	1	1
Use other ways of delivering services such as local trusts or other 'not for profit' partnerships	2	2	2
Put more services on-line	3	3	3
Reduce the number of properties the Council owns	5	5	4
Use Council assets to win business from the private sector	6	4	5
Reduce or stop delivery of less important services	4	7	6
Maintain services but do less frequently or reduce level of service	7	6	7
Increase charges for services supplied to the public	8	8	8
Increase Council Tax	9	9	9

Analysis of Consultation Responses – All Derbyshire Respondents By Age Group

From the list of services below provided by Derbyshire County Council please select your top three priorities:

Priority	Consultation responses - by age band											
	16 to 24		25 to 44		45 to 64		65 to 84		85+		All respondents	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Highway services including planning & maintenance	13	31%	157	34%	428	42%	337	43%	5	34%	983	41%
Supporting public & community transport	13	31%	96	21%	283	28%	286	36%	3	20%	709	29%
Environmental policy including flooding & climate change	15	36%	125	27%	249	25%	165	21%	4	27%	582	24%
Waste & recycling centres	10	24%	73	16%	229	23%	219	28%	8	55%	558	23%
Support for older adults	7	17%	68	15%	238	23%	207	26%	8	55%	554	23%
Economic development & regeneration	15	36%	79	17%	197	19%	123	16%	1	7%	428	18%
Public Health	4	10%	93	20%	164	16%	120	15%	1	7%	394	16%
Day care/residential care for older adults	2	5%	43	9%	156	15%	173	22%	4	27%	394	16%
Countryside services e.g., trails & country parks	5	12%	88	19%	162	16%	113	14%	0	0%	387	16%
Support for vulnerable children & families	9	21%	76	16%	176	17%	110	14%	2	14%	378	16%
Community Safety	7	17%	79	17%	140	14%	94	12%	1	7%	343	14%
Safeguarding & child protection	3	7%	73	16%	143	14%	71	9%	2	14%	296	12%
Special educational needs & disabilities (SEND) support services	4	10%	74	16%	107	11%	58	7%	0	0%	256	11%
Libraries	3	7%	39	8%	66	7%	78	10%	2	14%	194	8%
Children's Centres	4	10%	57	12%	58	6%	37	5%	0	0%	162	7%
Support services for schools including school admissions	1	2%	48	10%	58	6%	31	4%	0	0%	142	6%
Welfare Rights advice	2	5%	18	4%	46	5%	38	5%	0	0%	112	5%
Grants & aid to voluntary groups	1	2%	31	7%	36	4%	31	4%	2	14%	105	4%
Museums, heritage & arts services	3	7%	22	5%	43	4%	30	4%	1	7%	102	4%
Adult Community Education	1	2%	29	6%	28	3%	18	2%	0	0%	78	3%
Trading Standards	4	10%	14	3%	16	2%	13	2%	0	0%	58	2%
Fostering & adoption services	0	0%	9	2%	16	2%	6	1%	0	0%	32	1%
Total	126	300%	1,391	300%	3,039	300%	2,358	300%	44	300%	7,247	300%

From the list of services below provided by Derbyshire County Council please select your bottom three priorities:

Priority	Consultation responses - by age band											
	16 to 24		25 to 44		45 to 64		65 to 84		85+		All respondents	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Museums, heritage & arts services	9	24%	152	36%	380	41%	273	39%	2	18%	846	39%
Grants & aid to voluntary groups	5	13%	100	24%	324	35%	249	36%	6	53%	707	32%
Adult Community Education	8	21%	81	19%	223	24%	202	29%	5	44%	537	25%
Welfare Rights advice	9	24%	106	25%	206	22%	162	23%	4	35%	520	24%
Libraries	3	8%	81	19%	212	23%	132	19%	2	18%	451	21%
Trading Standards	13	35%	158	37%	171	19%	115	16%	1	9%	476	22%
Countryside services e.g. trails & country parks	5	13%	70	17%	178	19%	160	23%	2	18%	430	20%
Support services for schools including school admissions	1	3%	43	10%	157	17%	128	18%	3	26%	344	16%
Fostering & adoption services	8	21%	60	14%	123	65%	122	4%	0	0%	324	15%
Economic development & regeneration	3	8%	73	17%	135	15%	91	13%	1	9%	311	14%
Children's Centres	1	3%	32	8%	97	11%	69	10%	2	18%	218	10%
Community Safety	9	24%	23	5%	88	10%	79	11%	2	18%	207	10%
Environmental policy including flooding & climate change	4	11%	37	9%	80	9%	65	9%	1	9%	202	9%
Supporting public & community transport	4	11%	47	11%	67	7%	43	6%	1	9%	169	8%
Waste & recycling centres	5	13%	44	10%	52	6%	36	5%	1	9%	141	6%
Highway services including planning & maintenance	5	13%	35	8%	50	5%	35	5%	0	0%	126	6%
Public Health	0	0%	28	7%	59	6%	23	3%	1	9%	119	5%
Special educational needs & disabilities(SEND) support services	5	13%	20	5%	45	5%	35	5%	0	0%	109	5%
Day care/residential care for older adults	2	5%	33	8%	33	4%	18	3%	0	0%	89	4%
Support for older adults	4	11%	34	8%	30	3%	18	3%	0	0%	89	4%
Support for vulnerable children & families	2	5%	9	2%	26	3%	24	3%	0	0%	65	3%
Safeguarding & child protection	8	21%	6	1%	14	2%	21	3%	0	0%	49	2%
Total	113	300%	1,272	300%	2,750	300%	2,100	300%	34	300%	6,529	300%

Please rank the following options that the Council could use to save money or raise additional revenue in order of importance (Please rank the option you consider most important as 1, the second as 2 through to the least important as 9)

	Consultation responses by age band					
	16 to 24	25 to 44	45 to 64	65 to 84	85+	All respondents
Work with other councils to deliver 'shared services'	3	1	1	1	1	1
Use other ways of delivering services such as local trusts or other 'not for profit' partnerships	2	2	2	2	3	2
Put more services on-line	4	3	3	5	6	3
Reduce the number of properties the Council owns	7	5	4	4	8	4
Use Council assets to win business from the private sector	6	4	5	7	5	5
Reduce or stop delivery of less important services	5	6	6	3	2	6
Maintain services but do less frequently or reduce level of service	1	7	7	6	4	7
Increase charges for services supplied to the public	8	8	8	8	7	8
Increase Council Tax	9	9	9	9	9	9



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET

2 February 2023

**Joint Report of the Managing Director and the
Interim Director of Finance & ICT**

Revenue Budget Report 2023-24
(Corporate Services and Budget)

1. Divisions Affected

1.1 County-wide.

2. Key Decision

2.1 This is a Key Decision because it is likely to result in the Council incurring expenditure which is, or savings which are significant, having regard to the budget for the service or function concerned (this is currently defined as £0.500m).

3 Purpose of the Report

3.1 To make proposals to Full Council regarding the Revenue Budget and Council Tax for 2023-24. This report should be read alongside the following reports to this meeting: the Budget Consultation Results Report for 2023-24, the Reserves Position and Reserves Policy Report and the Capital Programme Approvals, Treasury Management and Capital Strategies for 2023-24 Report.

4 Information and Analysis

4.1 Introduction

The budget has been constructed in the context of currently known information. Details of the Final Local Government Finance Settlement are expected to be published in early February 2023. Information relating to the funding and income streams to the Council are set out in Appendix Two.

The report commences with details of the in-year position, details of the Autumn Statement 2022, and the Provisional Local Government Finance Settlement, including Council Tax levels, before identifying the service pressures facing the Council and consequent budget savings required.



















The report concludes with comments on the Council's financial standing and the robustness of the estimates made in preparing the budget.

The report is drafted in the context of:

- A period of high inflation which is impacting energy, food and contract costs.
- A cost of living crisis which is impacting on local communities.
- Uncertainty in respect of pay awards and challenges in respect of recruitment and retention across the sector.
- Continuing demand for Council services, particularly in respect of social care.
- Uncertainty of funding for local authorities over the medium to longer term, which hinders the financial planning process.

4.2 Forecast Revenue Outturn 2022-23

- 4.2.1 The Revenue Budget 2023-24 is set in the context of the current in-year financial position. The forecast outturn for 2022-23 as at Quarter 2 (30 September 2022), compared to controllable budget, was reported to Cabinet on 8 December 2022 and is summarised below. The forecast outturn table shows the position net of the impact of the ring-fenced Dedicated Schools Grant (DSG) of £389.554m and Public Health grant of £43.803m, other ring-fenced grants and income from other third parties and their associated spend.

	Budget	Use of DLUHC Covid-19 Grant Funding	Adjusted Budget	Forecast Actuals	Projected Outturn	Budget Performance
	£ Millions	£ Millions	£ Millions	£ Millions	£ Millions	
Adult Care	264.780	0.000	264.780	280.400	15.620	
Children's Services and Safeguarding and Education	146.161	0.000	146.161	150.016	3.855	
Clean Growth and Regeneration	0.848	0.000	0.848	0.679	-0.169	
Corporate Services and Budget	59.928	0.695	60.623	63.110	2.487	
Health and Communities	9.925	0.000	9.925	9.158	-0.767	
Highways Assets and Transport	37.792	0.000	37.792	39.626	1.834	
Infrastructure and Environment	45.984	0.000	45.984	48.111	2.127	
Strategic Leadership, Culture, Tourism and Climate Change	13.493	0.000	13.493	13.736	0.243	
Total Portfolio Outturn	578.911	0.695	579.606	604.836	25.230	
Risk Management	24.598	0.000	24.598	7.244	-17.354	
Debt Charges	38.185	0.000	38.185	37.361	-0.824	
Interest and Dividend Income	-4.600	0.000	-4.600	-6.458	-1.858	
Levies and Precepts	0.363	0.000	0.363	0.363	0.000	
Corporate Adjustments	3.424	0.000	3.424	3.102	-0.322	
Unfunded Pay Award	0.000	0.000	0.000	13.000	13.000	
Total Outturn	640.881	0.695	641.576	659.448	17.872	
Use of Earmarked Reserves	17.872	0.000	17.872	0.000	-17.872	
Total After Use of Earmarked Reserves	658.753	0.695	659.448	659.448	0.000	

4.2.2 An overall Council overspend of £17.872m is forecast, after accounting for the use of £0.695m of non-ringfenced grant funding provided by the

Department for Levelling Up Housing & Communities (DLUHC) to support local authorities with the impacts of the Covid-19 pandemic. This is funding from the remaining balance of the Covid-19 general emergency funding at 31 March 2022, amounting to £15.370m, which has been carried forward to 2022-23 in an earmarked reserve. The forecast also includes the use of £7.651m from departmental reserves to support the Highways Assets and Transport and Infrastructure and Environment portfolios. However, the Council will use some of the balances on its Budget Management, Covid-19 and Inflation Earmarked Reserves to report a break-even position as shown in the table below. It is anticipated that, after these amounts have been drawn, a balance on the Covid-19 reserve will remain available for future use. Whilst the use of earmarked reserves, in-year, will result in the Council reporting a break-even position, the impact of the unfunded pay offer, demand pressures and inflationary costs are addressed as part of the budget setting process for 2023-24 as the effect will be an ongoing cost pressure – details of this are set out later in this report.

Reserve	Balance Available £m	Use to fund identified Covid impacts £m	Use to fund overspend £m	Residual £m
Inflation Risks	10.000	0.000	6.200	3.800
Budget Management	10.000	0.000	10.000	0.000
Covid Emergency Grant	15.370	0.695	1.672	13.003
	35.370	0.695	17.872	16.803

4.2.3 Of the forecast £25.230m portfolio overspend, the significant variances are:

- an overspend of £15.620m on the Adult Care portfolio;
- a £1.834m overspend on the Highways Assets and Transport portfolio, after the use of £4.884m of departmental earmarked reserves;
- a £2.127m overspend on the Infrastructure and Environment portfolio, after the use of £2.767m of departmental earmarked reserves;
- a £3.855m overspend on the Children's Services and Safeguarding and Education portfolios; and
- a £2.487m overspend on the Corporate Services and Budget portfolio.

- 4.2.4 The forecast £15.620m overspend on the Adult Care portfolio relates to Purchased Services costs. There has been an increase in demand in relation to hospital discharges and because there is an insufficient supply of home care and reablement services, this has driven increased placements into residential homes rather than into care at home. As a result, expenditure on independent sector placements has increased. The forecast includes inflationary pressures of £1.700m in respect of Direct Care utilities and catering supplies.
- 4.2.5 The forecast £1.834m overspend on the Highways Assets and Transport portfolio mainly relates to unachieved savings from previous years, additional costs arising from an increase to the workforce assigned to routine highways maintenance, and under-recovery of highways staff and overheads recharged to schemes. The forecast includes £1.200m of inflationary pressures. This forecast is after the use of £4.884m of departmental earmarked reserves.
- 4.2.6 The forecast £2.127m overspend on the Infrastructure and Environment portfolio has mainly arisen due to unachieved savings from previous years, £1.500m of inflationary pressures in the Waste Management service and unfunded posts of staff working on the Elvaston Master Plan. This forecast is after the use of £2.767m of departmental earmarked reserves.
- 4.2.7 The forecast £3.855m overspend on the Children's Services and Safeguarding and Education portfolios is partly due to a continued high demand for placements for children who are in care or unable to remain at home. The number of children requiring support is growing because the rate at which children enter care is greater than the rate at which children exit care, and because alternatives to care often require long-term financial support, leading to a growing number of arrangements to fund. Average cost increases are due to inflation and the need to make more higher cost placements with independent providers. Other factors contributing to the overspend include the impact of the 2022-23 pay award and inflation on traded and grant funded services within Education Support Services, the cost of covering vacancies in Children's Safeguarding services with agency social workers and supporting children with complex needs to remain with their families or maintain their current care placement. There is also an increase in the number of children who are eligible for Council-funded transport and an increase in average cost, with the increase in cost being due to both economic factors affecting contractors, and an increased need for more specialised vehicles to transport individual children.
- 4.2.8 The Children's Services and Safeguarding and Education portfolios forecast includes inflationary pressures of £0.898m, comprising £0.476m of energy costs, £0.335m of food costs and £0.087m of transport and fuel costs, excluding Home to School Transport which is covered by specific contingency budgets. Not all of these costs will be

met from Council budget, as a number of services are funded by trading or grant income, however potentially this may impact on the contribution those services can make to corporate overheads.

- 4.2.9 The Council plans to support the Children's Services and Safeguarding and Education portfolios through allocations of a combination of ongoing budget growth and one-off funding to put these services on a sustainable financial footing by the time mitigation measures are able to stabilise the demand pressures on looked after children. Recent modelling suggests that demand pressures on looked after children are likely to level off by 2023-24. Analysis of current placement commitments, demographics and historic trends gives placements cost estimates ranging from £0.7m below to £2m above this forecast. There is also the potential for further increases in the number of children requiring placements or increases in average placement costs, giving an upper estimate of £4m above the forecast. A contingency budget is held to meet these potential pressures, and a balance of £1.182m would remain if the current forecast overspend of £2.040m is funded from this budget. It is considered likely that placement costs will increase during 2022-23 and may exceed the contingency budget. A contingency budget is also held to meet the potential pressures of a further increase in the number of children eligible for transport, or further increases transport costs, and a balance of £1.919m would remain for mainstream and special needs Home to School Transport costs, if the current forecast overspend of £0.561m is funded from this budget. It is considered likely that costs will increase during the year but that it is unlikely these would exceed the contingency budget.
- 4.2.10 The forecast £2.487m overspend on the Corporate Services and Budget portfolio has mainly arisen in the Corporate Property division, primarily because of delays in achieving previously allocated savings. These savings are expected to be achieved over the coming years through rationalisation of the property base, with a consequent reduction in property running costs, and borrowing savings through use of the capital receipt to offset the need to borrow to fund the capital programme. PSP Derbyshire LLP will be the principle vehicle for delivering the savings. There is underachievement of the Industrial Development income target, which is based on full occupancy. Full occupancy cannot be achieved as vacancies occur during the turnover of lettings, and some units are offered at rents below market rates for occupying charities. There is a further cost pressure related to incurring running costs on buildings that are awaiting disposal or repurpose. The forecast also includes estimated gas and electricity inflation, at 300% and 100% respectively, of £1.806m.
- 4.2.11 There is a forecast underspend on corporate budgets in 2022-23. The underspend on the Risk Management budget relates mainly to £7m of contingency funding shown as available to support expenditure which has been included in portfolio forecasts. There was also a £5m

adjustment for Business Rates income. Business Rates income in 2021-22 was significantly reduced because of the impact of Covid-19 and the extent of recovery was uncertain at the time the Revenue Budget 2022-23 was set, with amounts finalised after. In addition, £4m relates to additional non-ringfenced grants and £1m to service pressure funding returned by a portfolio following receipt of grant income, all announced after the 2022-23 Revenue Budget was set. An underspend on the Debt Charges budget is forecast as the portfolio of the Council's long-term loans is repaid and interest on this debt reduces. A favourable variance is forecast in the Interest and Dividends budget. The Council utilises a range of investments to maximise its income on cash balances. Interest income includes interest accrued on the loan advances to Buxton Crescent Ltd. A small underspend on Corporate adjustments is forecast.

4.3 Autumn Statement 2022

- 4.3.1 On 17 November 2022, the Government announced the details of the Autumn Statement, setting out public spending totals for two years, 2023-24 and 2024-25.
- 4.3.2 The Office of Budget Responsibility's (OBR) Economic and Fiscal Outlook was published alongside the Autumn Statement. The impact of the Covid-19 pandemic on the UK economy has been significant, as has the UK's response to the conflict in Ukraine and the rising costs of living. Inflation was expected to be 9.1% in 2022, 7.4% in 2023 and 0.6% in 2024. The International Monetary Fund (IMF) expects that a third of the global economy will fall into recession in 2022 or 2023 and high inflation has led the OBR to forecast a UK recession starting in the third quarter of 2022. Gross Domestic Product (GDP) is expected to be 4.2% for 2022 but -1.4% for 2023, then higher from 2025 onwards.
- 4.3.3 The key announcements in the Autumn Statement, relevant to local government, were:
- Local authorities will have additional flexibility in setting Council Tax, with the referendum limit for setting general Council Tax being increased to 3% each year from April 2023. In addition, local authorities with social care responsibilities, such as the Council, will be able to increase the Adult Social Care Precept (ASC Precept) by up to 2% per year. For the Council, a referendum would be triggered for a Council Tax increase of 5% and the maximum increase permitted without a referendum is 4.99% (which is either a 2.99% general increase and a 2% ASC Precept increase, or a 3% general increase and a 1.99% ASC Precept increase).
 - Social Care charging reforms are delayed for two years to October 2025. Funding for implementation will be maintained, to enable local authorities to address current adult social care pressures and will be allocated through the Social Care Grant.

- £2.8bn in 2023-24 and £4.7bn in 2024-25 is being made available to help support adult social care and discharge. This includes £1bn of new grant funding in 2023-24 and £1.7bn in 2024-25. Sums of £600m in 2023-24 and £1bn in 2024-25 of new funding will be distributed through the Better Care Fund to get people out of hospital on time into care settings, which will be split 50:50 between local authorities and the NHS.
- Sums of £400m in 2023-24 and £680m in 2024-25 of new funding will be distributed through a new grant ring-fenced for adult social care, which will also help to support discharge. In addition to this new funding, £1.3bn in 2023-24 and £1.9bn in 2024-25 of repurposed Reform Funding will be distributed to local authorities through the Social Care Grant for adult and children's social care.
- Utilising additional Council Tax flexibility of 2% (1% additional ASC Precept and 1% on general Council Tax) is calculated to contribute £0.7bn in 2023-24 and £1.3bn in 2024-25.
- There will be a £1bn extension of the Household Support Fund to 2023-24, to deliver support with the cost of essentials to households.
- Local Authorities will be fully compensated for the loss of income as a result of business rates measures announced, including freezing the Business Rates multiplier. There will be additional compensation for under-indexation.
- Without knowing what the individual funding allocations are likely to be beyond 2023-24/2024-25 there is uncertainty as to what this means for the need for further austerity measures from 2025-26.

4.4 Local Government Finance Settlement

- 4.4.1 Details of the Provisional Local Government Finance Settlement 2023-24 (Provisional Settlement) were published on 19 December 2022, following publication of a Policy Statement on 12 December 2022.

The Provisional Settlement was broadly in line with the indicative quantum announced in the Autumn Statement.

Publication marked the start of a four-week consultation period. The Interim Director of Finance & ICT submitted the Council's response to the Provisional Settlement ahead of the deadline for responses, which was 16 January 2023, following consultation with the Cabinet Member for Strategic Leadership, Culture Tourism and Climate Change, Cabinet Member, Corporate Services and Budget, and the Managing Director. A copy is attached at Appendix Three.

Details of the Final Settlement are expected to be published by early February 2023. This may be after the Council has formally set its budget and Council Tax on 15 February 2023. Whilst this presents a risk, it is felt to be manageable within the context of the Council's overall finances.

4.4.2 Further to the key announcements relevant to local government from the Autumn Statement, headlines from the Policy Statement, Provisional Settlement and associated Technical Consultation, and later announcements, are:

- An average 9.2% increase in local government core spending power to help councils deal with inflationary and other cost pressures in 2023-24 (Core Spending Power measures the core revenue funding available for local authority services, including Council Tax and locally retained business rates). This increase assumes that councils will raise their Council Tax by the maximum permitted without a referendum, which for the Council is 4.99% (which is either a 2.99% general increase and a 2% ASC Precept increase, or a 3% general increase and a 1.99% ASC Precept increase).
- £100m of additional funding to support the most vulnerable households, delivering additional support to the 3.8 million households already receiving Council Tax support.
- Four grants with a total value of £239m consolidated into the Settlement. The Council receives two of these grants; the Food Safety and Standards Enforcement grant will be rolled-up into the Revenue Support Grant (RSG) and the Independent Living Fund grant will be rolled-up into the Social Care Grant.
- Confirmation that a Business Rates revaluation will come into effect in 2023. This revaluation updates rateable values which are used to set new business rates bills. The Government has committed to ensuring that no local authority suffers from gains or losses due to the revaluation, or from transfers from local lists to the central list. Subsequent adjustments will be made in 2024-25 and 2025-26 once updated data is available.
- From 2023-24 onwards compensation payments for the under-indexation of the Business Rates multiplier will use Consumer Price Index (CPI) inflation rather than the higher Retail Price Index (RPI) inflation. This was legislated for in 2018 but until now has not been reflected in the business rates retention system. Initial indications are that pre 2023-24 compensation payments will continue to use RPI.
- Further to funding announcements in the Autumn Statement, clarification of the Council's allocation in respect of the increased £3.9bn Social Care Grant for adults' and children's social care, and new specific adult social care grant allocations in respect of the £300m Discharge Fund Grant (£5.010m to be pooled as part of the Better Care Fund), and the £562m Market Sustainability and Improvement Fund Grant (£8.494m allocation for the Council). The Government will set out further details on the conditions of this specific grant funding and any reporting requirements in respect of performance and improvement against objectives in due course. No change to improved Better Care Fund allocations.
- The Services Grant will reduce to fund other areas of the Settlement.

- The future position of the New Homes Bonus (NHB) grant will be set out before the 2024-25 Local Government Finance Settlement. The method for calculating NHB has not changed from 2022-23 and new payments will not attract legacy payments.
- Allocations of the Public Health Grant are expected to be announced early in 2023.
- An additional £1.5bn in schools block funding and £400m in High Needs funding for 2023-24 in the Dedicated Schools Grant (DSG) announcement. As part of this increase, mainstream schools will receive a new Mainstream Schools Additional Grant. This equates to a 3.4% increase in per pupil funding, on top of the allocations through the DSG. Pupil premium per pupil rates will increase by 5% in 2023-24. An additional £20m of funding for early years entitlements, on top of £180m for 2023-24 announced at the Spending Review, was announced to address National Living Wage (NLW) increases. The statutory override for the accounting treatment of DSG positions will be extended for the next three years from 2023-24 to 2025-26. The override was due to expire at the end of March 2023.
- Encouragement for local authorities to consider how they can use their reserves to maintain services in the face of immediate inflationary pressures, taking account of the need to maintain appropriate levels of reserves to support councils' financial sustainability and future investment.
- The core settlement will continue in a similar manner in 2024-25 and major grants will continue as in 2023-24. RSG for 2024-25 will increase in line with September 2023 CPI. Business Rates pooling will continue. The Social Care Grant and other social care grants will increase as set out in the Autumn Statement.
- The Fair Funding Review and the Business Rates reset will not be implemented in this Spending Review period, although the Government 'remains committed to improving the local government finance landscape in the next Parliament'.

Future Funding Levels

- 4.4.3 A multi-year settlement provides local authorities with some certainty, supporting medium-term financial planning and financial sustainability. The Provisional Settlement has provided individual grant allocations for 2023-24 only. Whilst the quantum has been confirmed for 2024-25 as part of the Autumn Statement announcements, detailed allocations are unlikely to be confirmed until December 2023.

It is disappointing that the Provisional Settlement has failed to announce a true multi-year settlement, as it constricts the flexibility of local authorities to balance budgets across the medium term. The local government sector has implored Government for a multi-year settlement. The Secretary of State for Levelling Up, Housing and

Communities announced on 28 June 2022 that there would be a two-year funding settlement from 2023-24. However, despite the signals, 2023-24 will be the fifth continuous single-year settlement.

Settlement Funding Assessment

4.4.4 Settlement Funding Assessment (SFA) is made up of Revenue Support Grant (RSG), Business Rates Top-Up (both of which are received directly from Government) and localised Business Rates, which are received directly from the district and borough councils. Details of the allocations are summarised below:

	2022-23 allocations £m	2023-24 allocations £m
Revenue Support Grant	14.231	15.714
Business Rates Top-Up	94.892	97.774
Business Rates – Local*	14.722	15.365
	123.845	128.853

*2022-23 Business Rates – Local - updated for final 2022-23 estimates.

- **Revenue Support Grant (RSG)** – The Council's RSG has increased from £14.231m in 2022-23, to £15.714m in 2023-24, in line with the increase CPI inflation of 10.1% at September 2022, but before inclusion of grants newly rolled-up into RSG for 2023-24. These grants include the Council's Food Safety Enforcement Grant, which will be maintained for 2023-24 at its 2022-23 cash level (£0.020m). There is no change to the distribution methodology of RSG from that used in 2022-23.
- **Business Rates Top-Up** – The Council's Business Rates Top-Up has increased from £94.892m in 2022-23, to £97.774m in 2023-24. The Government has frozen the Business Rates multiplier for 2023-24. However, the 'Business Rates Capping' grant has increased to compensate for the under-indexation of the multiplier. Taken together, the increase in the Business Rates Baseline Funding Level (which is the amount of an individual authority's 2013-14 Settlement Funding Assessment provided through the local share of retained business rates income, updated for inflation) and the Business Rates multiplier under-indexation grant ('Capping Grant') for 2023-24 provide an increase of 10.1%.

- **Business Rates – Locally Retained** - The figure for Local Business Rates shown in the table above of £15.365m is the Council's high-level estimate of its Derbyshire business rates income for 2023-24, based on previous years' income and the assumption that there will be a 2% growth in local business rates taxbase in 2023-24 but a deficit on the collection fund of £3.000m (2022-23: £3.283m deficit).

At the time of drafting the report, no 2023-24 business rates estimates have been received from the billing authorities. Billing authorities have until 31 January 2023 to provide the Council with the final estimates for 2023-24 growth to be used in setting the budget. The Council receives 9% of business rates collected locally.

A verbal update of the business rates income forecast will be provided at this meeting, when further information will have been received. As a result, the Council's estimate of locally retained business rates income could change. Any changes to the figure shown in Appendix Two will be managed through the Risk Management Budget or use of reserves.

New Homes Bonus (NHB)

- 4.4.5 The NHB grant is aimed at encouraging local authorities to grant planning permission for the building of new houses and then share in the additional revenue generated. The allocations tend to favour councils with lower tier responsibilities. The method for calculating NHB is the same as in 2022-23. However, in 2023-24 the NHB grant no longer contains any legacy payments but does continue to include single year payments. As a result of this, the 2023-24 payment for local authorities, of £291m, is £263m less than in 2022-23, and the Council's allocation has correspondingly reduced, from £1.868m in 2022-23, to £1.106m in 2023-24.

General Grant

4.4.6 Details of further grant allocations are set out in the table below:

	2022-23 £m	2023-24 £m
Social Care Grant	37.628	61.318
Improved Better Care Fund (iBCF)*	35.733	35.733
Business Rates Capping*	17.480	19.947
Services Grant	7.781	4.385
Homes for Ukraine*/***	10.500	0
Bus Service Improvement Plan*	6.510	11.466
Independent Living Fund*/+	2.534	0
Extended Rights to Free Travel*/***	1.614	1.614
Domestic Abuse Duties*	1.475	1.505
Local Reform and Community Voices Grant**/***	0	0
War Pensions Scheme Disregard**/***	0	0
Prison Services**/***	0	0
Moderation Phonics*/***	0.032	0
Food Safety Enforcement*/^	0.020	0
Family Court Fees*/***	0.017	0
	121.324	135.968

* 2022-23 figures updated from Revenue Budget Report following announcement/release of allocations.

** For 2022-23 awaiting Government information about this grant.

*** For 2023-24 awaiting Government information about this grant; where numbers are included it is considered likely that funding will be received at around 2022-23 levels or an indicative allocation has been received.

+ Rolled into Social Care Grant in 2023-24.

^ Rolled into Revenue Support Grant in 2023-24.

Further details of the individual grants outlined in the table above are set out below.

- **Social Care Grant** – The Social Care Grant is a grant for adult and children's social care services. Total funding provided by this grant has increased from £2.35bn in 2022-23 to £3.85bn in 2023-24. In 2023-24 the grant includes £1.27bn of funding due to delaying the rollout of adult social care charging reform.

The Council's Social Care Grant allocation has increased, from £37.628m in 2022-23 to £61.318m in 2023-24 as set out in the table below:

	Social Care Grant £m
2022-23 Social Care Grant	37.628
2023-24 Additional Social Care Grant determined according to the Adult Social Care Relative Needs Formula	17.910
2023-24 Additional Social Care Grant Equalisation Funding, applied to reflect the Council's low Council Tax taxbase which reduces its ability to raise additional funding through levying the ASC Precept	3.246
2023-24 roll up the Council's Independent Living Fund (ILF) Grant, maintained at its 2022-23 cash level. As this was previously paid as a ring fenced grant, the Adult Social Care and Health base budget has been adjusted accordingly (Appendix Five).	2.534
	<hr/> 61.318 <hr/>

- **Improved Better Care Fund (iBCF)** – The iBCF is additional funding for adult social care authorities, which has to be included within Better Care Funding plans. For 2023-24, funding is being maintained at the same level as in 2022-23 in cash terms (£2.14bn), with the distribution unchanged. The Council's allocation is £35.733m.
- **Business Rates Capping** – This Section 31 Grant compensates authorities for reductions in business rates income, following decisions by Government to change the rate relief for some organisations and for changes in the uprating of the business rates multiplier, including freezing of the business rates multiplier in recent years. The amount included in the Council's 2023-24 budget calculation is the Council's Provisional Settlement allocation for under-indexing of the business rates multiplier. Billing authorities will provide final estimates by 31 January 2023 to be used in setting the budget. A verbal update of business rates income will be provided at this meeting.
- **Services Grant** – The Services Grant is an un-ringfenced grant which was introduced in 2022-23 to support the delivery of all local authorities' services. It will continue in 2023-24 but with funding

reduced from £822m to £464m, in part because it previously included funding for local government costs arising as a result of the Social Care Reform increase in employer National Insurance Contributions, which has now been reversed. The funding is distributed through the existing formula for assessed relative need. The Council's allocation has decreased, from £7.781m in 2022-23 to £4.385m in 2023-24.

- **Domestic Abuse Duties** - The Domestic Abuse Act 2021 placed new duties on local authorities to ensure that victims of domestic abuse and their children can access the right support in safe accommodation. This funding is to enable local authorities to deliver these duties. Local authorities have been advised of individual allocations for 2023-24 and 2024-25. The Council's allocations are £1.505m for 2023-24 and £1.533m for 2024-25.
- **Other Grants** - Pending receipt of grant information, no income amounts for the other grants below have been included in the Council's 2023-24 budget calculation. Departments have been compensated previously, in the base budget, for these grants and hence any receipt will be taken into the Risk Management Budget.
 - **Homes for Ukraine** – funding for councils who have a number of important functions in supporting this scheme.
 - **Bus Service Improvement Grant** – funding to form part of the necessary investment required for the delivery of the Bus Service Improvement Programme. Bus Service Improvement Grant – funding to form part of the necessary investment required for the delivery of the Bus Service Improvement Programme. Local authorities have been advised of individual allocations for 2023-24 and 2024-25. The Council's revenue allocations are £11.466m for 2023-24 and £6.105m for 2024-25.
 - **Extended Rights to Free Travel** – funding to support extended rights to free school travel.
 - **Local Reform and Community Voices Grant** – this grant is comprised of funding for Deprivation of Liberty Safeguards, local Healthwatch and Independent Complaints Advisory Services.
 - **War Pensions Scheme Disregard** - compensates authorities for disregarding, for the purposes of social care charging, most payments made under the War Pension Scheme.
 - **Prison Services** – funding for social care in prisons.

Private Finance Initiative Grant (PFI)

4.4.7 The PFI grant is received to support expenditure which is incurred in meeting payments to contractors for the capital element of school building projects previously undertaken through PFI and similar funding arrangements. These funding arrangements require payments to be made over a 25-year period. The capital payments due on these schemes will end in three phases between 2029 and 2035. The Council's allocation for 2023-24 is £10.504m.

Ring-Fenced Grants

4.4.8 The Council receives the following ring-fenced grants:

- **Dedicated Schools Grant (DSG)** - Grant is paid to local authorities to provide school, high needs, early years and central school services block budgets. Local authorities are responsible for determining the allocation of grant in conjunction with their local Schools Forum. Local authorities are responsible for allocating funding to schools and academies, high needs and early years providers in accordance with their local funding formulae. DSG funding allocations for 2023-24 were published on 16 December 2022. Details of DSG schools block funding will be considered at the Cabinet meeting on 23 February 2023 and the remaining blocks will be considered at the Cabinet meeting on 16 March 2023.
- **Public Health** - Public Health expenditure is funded from a ring-fenced grant. The budget is largely spent on drug and alcohol treatment services, sexual health services, health protection and promoting activities to tackle smoking and obesity and to improve children's health. The Council's allocation for 2023-24 is expected to be announced early in 2023 and is still to be confirmed. The Government has also not yet confirmed whether the ring-fence and grant conditions will remain in place. At some point it is expected that the funding for Public Health will form part of revised funding mechanisms for local authorities following funding reviews.
- **Better Care Fund** - The Better Care Fund (BCF) was announced in June 2013 as part of the 2013 Spending Round. It provides an opportunity to transform local services so that people are provided with better integrated health and social care. The BCF supports the aim of providing people with the right care at the right place at the right time. This builds on the work which the Derby and Derbyshire Integrated Care Board (ICB) and the Council are already doing, for example as part of integrated care initiatives, joint working and on understanding of patient/service user experiences.

The 2023-24 allocation for Derbyshire as a whole has yet to be announced and to date there is no confirmation of any increased

contribution to the Better Care Fund. However, additional funding of £6.678m to support hospital discharges has been allocated for 2022-23, for the ICB and Council in total, with a further amount, estimated to be £10.019m, announced for 2023-24, again for the ICB and Council in total. The 2022-23 budget allocation of £112.935m and £6.768m for the discharge fund was split as follows:

	2022-23 £m
Derby and Derbyshire ICB	66.395
ICB Minimum Contribution	66.395
ICB Additional Contribution	
Discharge Grant	3.745
Other	0.651
Total ICB Contribution	70.791
DCC Additional Contribution	
ICES Equipment	1.647
Other	0.611
Disabled Facilities Grant	7.898
Improved Better Care Fund	35.733
Discharge Grant	3.023
	48.912
	119.703

The funding can be used to improve health outcomes for clients and their carers. Derbyshire will look to invest in services jointly commissioned with health services, which include reablement, seven-day services, better information sharing, joint assessments and reducing the impact on the acute sector.

The BCF has national metrics underpinning its performance, which will be used to measure success, include reducing admissions to residential care homes, effectiveness of reablement out of hospitals, non-elective admissions to hospitals and delayed transfer of care.

This funding system presents opportunities and risks to the Council and these are the subject of detailed negotiation with the ICB. The additional funding helps to bridge the funding gap left by the reduction in the Council's Revenue Support Grant over recent years.

4.5 Council Tax

- 4.5.1 District and borough councils are required to provide details of their Council Tax taxbases, together with any surplus or deficit figures on their collection funds, to the Council.

Taxbase

- 4.5.2 The Council's Band D Council Tax rate is calculated by dividing the Council's Council Tax Requirement (CTR) by the total taxbase figures. Each of the borough and district councils uses a Collection Fund to manage the collection of Council Tax and to make an adjustment to reflect the actual collection rate of Council Tax in the previous year. Following the introduction of the Business Rates Retention Scheme in April 2013, the borough and district councils are required to take account of both Council Tax and Business Rates collected in determining their surpluses or deficits. Whilst provisional Council Tax taxbase positions have been received from all billing authorities these have yet to be fully confirmed. The billing authorities have until 31 January 2023, this being the statutory deadline, to confirm their taxbase positions.
- 4.5.3 The total Council Tax taxbase figure for 2023-24 is confirmed at 261,141.23, based on the number of equivalent Band D properties, a 1.57% increase on the previous year. Individual authority information is shown at Appendix Four.
- 4.5.4 The additional Council Tax due as a result of the increase in taxbase is £5.760m. This is calculated by multiplying the increase in the number of properties by the Council's Equivalent Band D Council Tax rate in 2022-23. Previous years have seen increases in the taxbase of 1.86%, 0.41% and 1.71%. Based on continuing strong expected housing growth, the Five Year Financial Plan (FYFP) assumes prudent annual taxbase increases of 1.50% from 2024-25.

Collection Fund

- 4.5.5 The repayment of collection fund deficits arising in 2020-21 is being spread over the following three years rather than the usual period of a year. The regulations to implement the collection fund deficit phasing came into force on 1 December 2020, in response to difficulties billing authorities were experiencing because the Covid-19 pandemic was severely impacting on Council Tax collection fund positions and forecasting.

Billing authorities required time to consider 2021-22 announcements of the Local Income Tax Guarantee Scheme for 2020-21 and the Local Council Tax Support scheme. Under this collection fund deficit phasing, a deficit of £1.041m was carried forward and spread into each of 2022-

23 and 2023-24, with 2023-24 being the final year of spreading the deficit.

- 4.5.6 The Council Tax collection fund surplus for 2022-23 was estimated at £3.437m in the Council's Revenue Budget 2022-23 Report, based on the latest provisional information received to date from billing authorities, including £1.041m of deficit carried forward from 2021-22 budget setting. Billing authorities have until 31 January to confirm in writing their final collection fund estimates. A verbal update was provided at the full Council Meeting on 2 February 2022, with a final collection fund surplus of £3.561m. This provisional collection fund position was in line with the position before the pandemic.
- 4.5.7 The total Council Tax collection fund surplus for 2023-24 is estimated at £1.500m, based on provisional information received to date from billing authorities and an estimate in respect of Chesterfield, and including £1.041m of deficit carried forward from 2021-22 budget setting. A verbal update of the Council Tax collection fund position will be provided to this meeting, when it is expected that more information will have been received. Any changes to the figure shown in Appendix Two following this Council meeting, or the full Council meeting, will be managed through the Risk Management Budget or use of reserves.
- 4.5.8 The provisional Council Tax collection fund surpluses/deficits for the individual authorities are shown at Appendix Four.

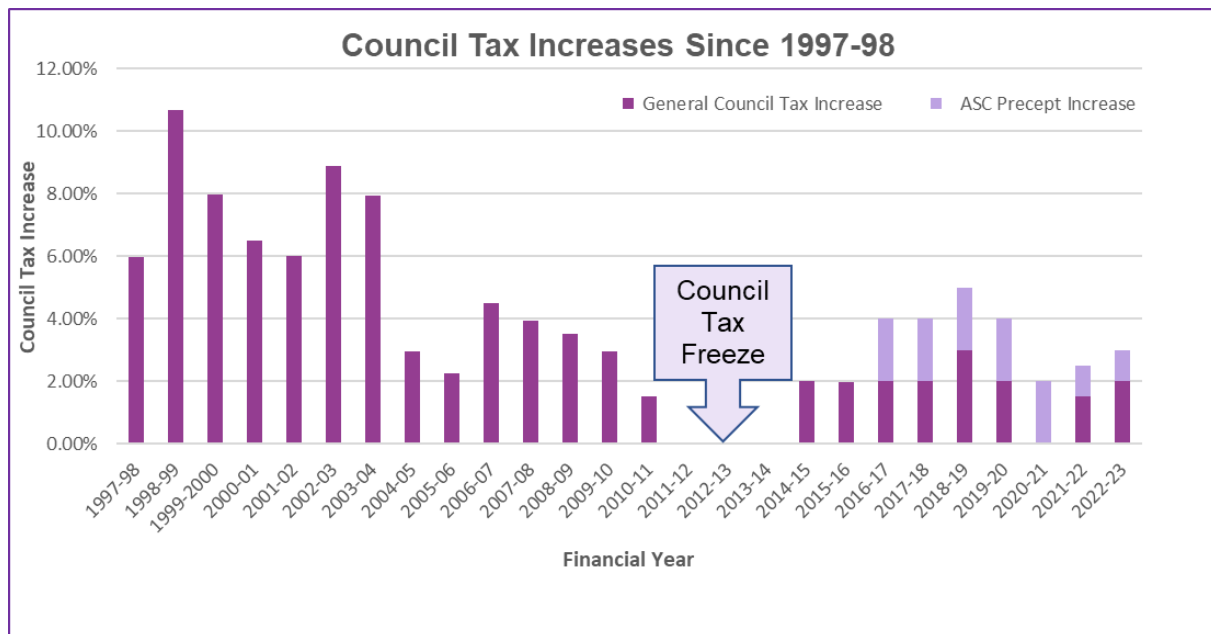
Referendum Principles

- 4.5.9 Since 2012-13, local authorities have been required to determine whether the amount of Council Tax they plan to raise is excessive. A set of principles defined by the Government is used to determine if the amount to be raised is excessive. An authority proposing an excessive increase in Council Tax must hold a local referendum.
- 4.5.10 The Autumn Statement provides county councils with the flexibility to increase Council Tax by up to 3% for general spending. In addition, local authorities with adult social care responsibilities will be able to increase adult social care spending by levying up to a further 2% using the ASC precept. For the Council, a referendum would be triggered for a Council Tax increase of 5% and the maximum permitted without a referendum is 4.99% (which is either a 2.99% general increase and a 2% ASC Precept increase, or a 3% general increase and a 1.99% ASC Precept increase).
- 4.5.11 Details of any assurance process relating to the use of the ASC Precept in 2023-24 have yet to be issued. As usual, billing authorities will be required to include information on the face of the Council Tax bill, with a narrative statement on the front of the bill highlighting any Council Tax attributable to levying this funding for adult social care, as well as

providing further information to the taxpayer. Further information is also required to be included with the Council Tax bill.

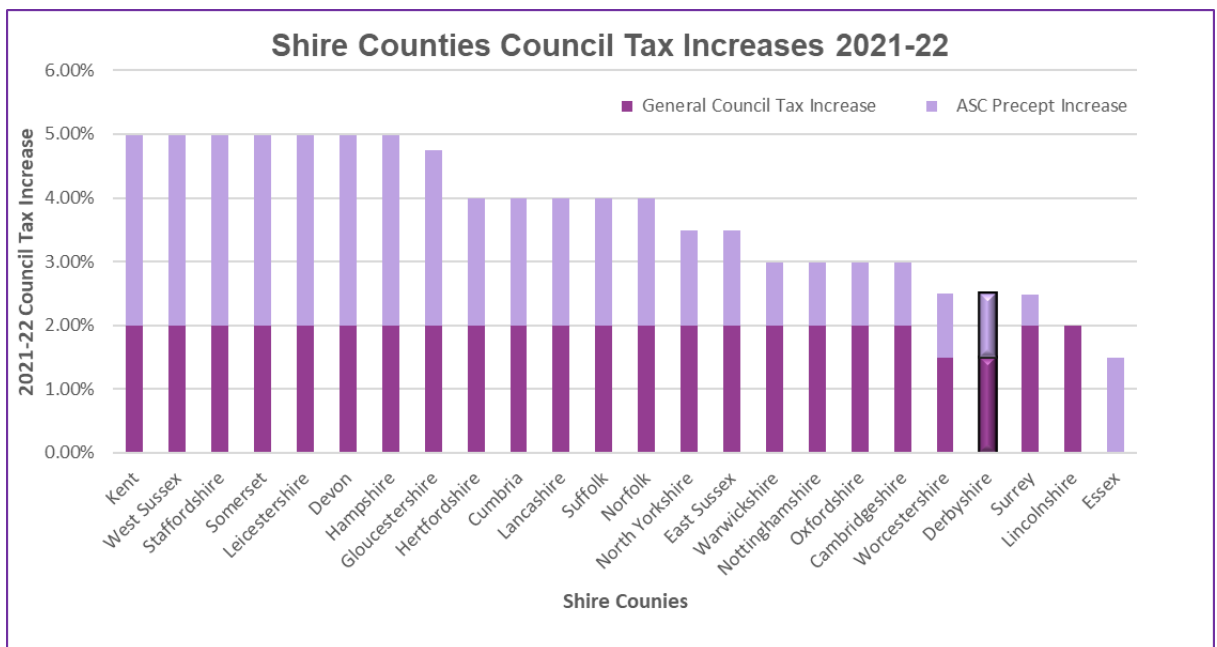
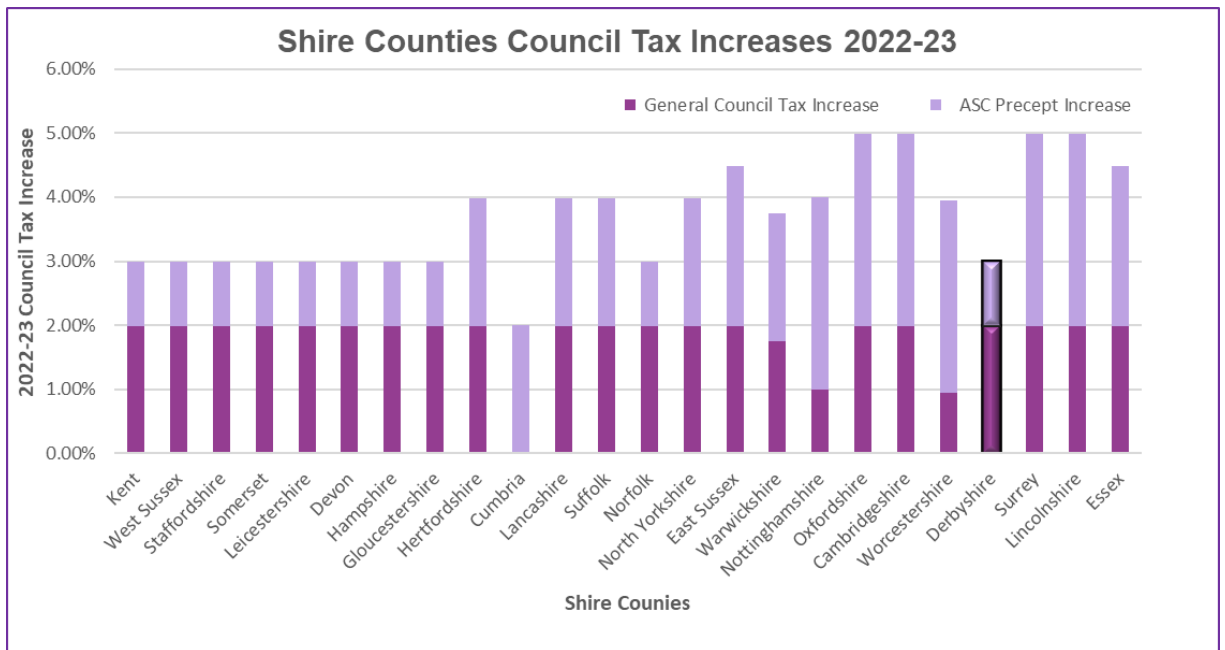
Council Tax Increase

4.5.12 The graph below illustrates the Council's Council Tax increases over the last 20+ years:



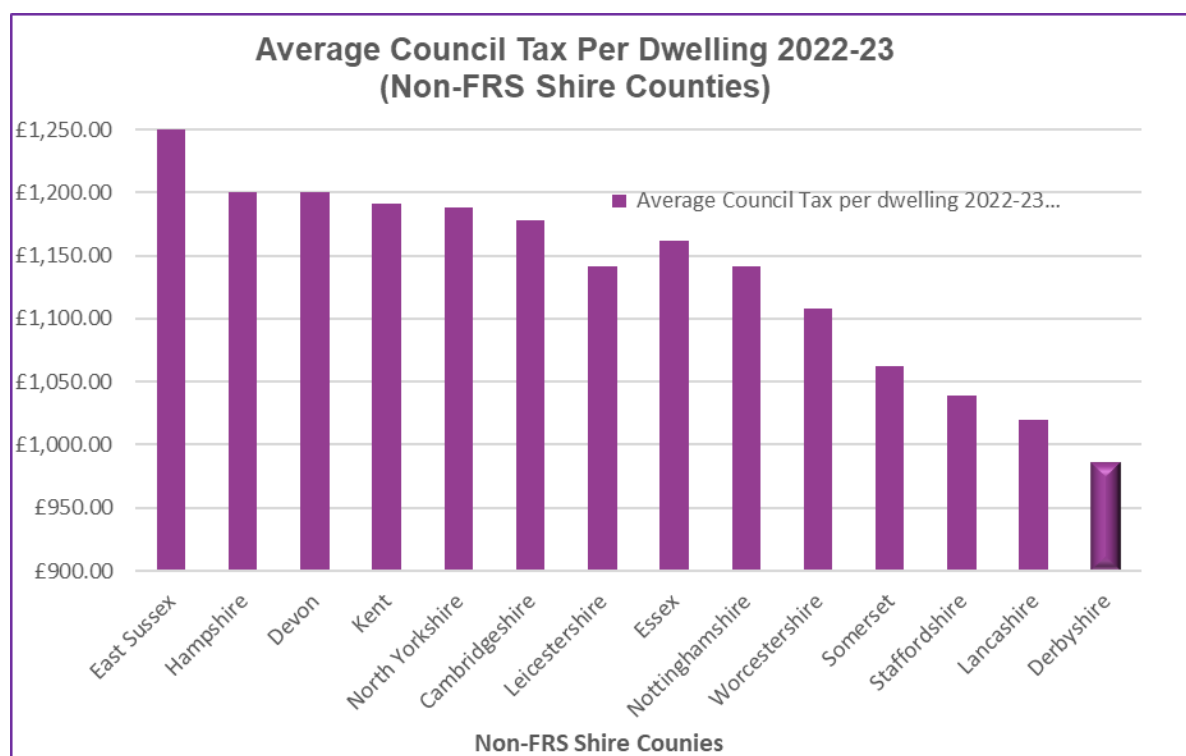
4.5.13 Since 2016-17 there has been the ability to raise an additional amount of Council Tax specifically to additionally fund adult social care spending, known as the Adult Social Care precept (ASC precept). The table above highlights how the Council has used this flexibility in recent years.

4.5.14 The average shire county council Council Tax increase in 2022-23, including ASC precept, was 3.7%, whilst in 2021-22 it was 3.8%, so the Council has set increases in these two years of 0.7 percentage points and 1.3 percentage points less than the average, respectively. The charts below set out 2022-23 and 2021-22 total Council Tax increases and the general Council Tax/ASC precept increase split for shire county councils over those two years.



4.5.15 In terms of absolute position, the Council's Band D Council Tax level is in the lowest quartile for shire counties. This is a measure which does not reflect the actual spread of housing in an area into the various bands. As Derbyshire is less affluent than many county areas it has around 80% of properties in Bands A, B and C and the average property is in Band B. This results in the mean average Council Tax paid per household in Derbyshire being the lowest amongst the fourteen shire county councils who provide the same services as the Council

(non-Fire and Rescue Service (FRS) authorities), as indicated in the chart below.



4.5.16 Local authorities have urged Government to provide additional funding to support vital services, particularly Children's Social Care and Adult Social Care. Additional resources have been allocated to the Council as part of the Government's response. The additional social care funding announced in SR 2019, with further increases in SR 2020 and SR 2021, and a significant increase in the Autumn Statement 2022, with the continuation of payment of Revenue Support Grant, have helped to keep general Council Tax low whilst helping to fund the rising costs for social care and other vital front-line services. However, it is clear that Government has a clear and definite expectation that part of the additional pressures in adult care will be funded by levying additional ASC Precept. Of 152 authorities with adult social care responsibilities, 150 utilised some, or all, of their ASC precept flexibility for 2022-23.

4.5.17 Pressures across both Children's and Adult Social Care continue to far outstrip the additional grants offered by the Government. Furthermore, these costs are likely to increase significantly in later years.

4.5.18 The Council's preference is for Government to recognise costs associated with social care through the re-distribution of national taxation. However, the clear expectation from Government is that local taxation is also part of the solution. Therefore, it is recommended that the Council accepts the need to levy the ASC Precept at 1.25% and also to increase basic Council Tax by 2.50% for 2023-24, a total increase of 3.75% in recognition of Adult Social Care pressures and the

significant increase in general budget pressures the Council is experiencing.

This recommendation means that the Council's options of levying a maximum 2% ASC Precept and a maximum basic Council Tax increase of 3%, permitted by the 2023-24 Referendum Principles, have not been fully exercised.

- 4.5.19 The Council is facing significant financial pressures, including pay and price increases as set out in Section 4.7 of the report. There are also substantial demands on the Council's services, in particular, social care.

In meeting Council Plan priorities, it is important that the Council invests in its services to ensure that it continues to deliver essential services for Derbyshire communities. Details of the financial cost pressures faced by the Council are set out in Section 4.8, with further detail provided at Appendix Five. Additional funding from Government has been provided to support risings costs, however, it is not sufficient to meet the full cost of the service pressures identified. Therefore, increasing Council Tax by 3.75% will raise an additional £13.951m in Council Tax income in 2023-24 and future years to support the Council's vital services.

- 4.5.20 The Council will always attempt to keep Council Tax rises as low as possible. However, pressures will continue to emerge over the medium term, in particular additional costs around pay, and inflationary pressures, have been largely absent over the last ten years or so prior to 2022-23. The need to manage these, and other pressures, will be challenging and as a result future Council Tax increases cannot be easily forecast with a high degree of certainty, and it is possible that predictions expressed in the initial medium term financial plan (FYFP) update contained within this report will prove inadequate and may need to be revised upwards.

4.6 Price Increases

- 4.6.1 There will be no direct increase to departmental budgets for specific price rises. In recent years an increase for business rates expenditure has been the only allocation. However, the 2023-24 Provisional Settlement froze the Business Rates Multiplier, which is the mechanism by which business rates increase, and so accordingly there will be no increase to 2023-24 departmental budgets for this either.
- 4.6.2 Annual UK CPI inflation remained extremely high during 2022. Annual headline CPI inflation reached 10.1% in September 2022, then increased further, to 11.1% in October 2022, before falling to 10.7% in November 2022. Recognising rising prices, specific amounts for

inflationary pressures have been set aside within contingency budgets. See section 4.7 below.

Pay Award

- 4.6.3 The 2021-22 and 2022-23 pay awards were agreed after the 2022-23 Revenue Budget was approved.
- 4.6.4 The 2021-22 pay award for Local Government Service Employees, of a 1.75% increase, was agreed on 28 February 2022. The 2021-22 pay award was higher than originally estimated, resulting in an additional ongoing base budget pressure of £1.896m. The 2021-22 unfunded pay award budget shortfall was funded on a one-off basis from reserves in both 2021-22 and 2022-23.
- 4.6.5 The 2022-23 pay award for Local Government Service Employees, of a flat increase of £1,925 on all pay points covered by the Council's Pay Grades up to and including Grade 21, was agreed on 1 November 2022. The 2022-23 pay award cost to the Council of £16.425m was also higher than originally estimated, resulting in a further ongoing base budget pressure of £9.636m.
- 4.6.6 The shortfall in base budgets as a result of the 2021-22 and the 2022-23 pay awards has been addressed by removing the deficit balance on the Risk Management Budget that was created by allocating base budget to departments in 2022-23.
- 4.6.7 The Autumn Statement announced that NLW would increase by 9.7% for 2023-24, from £9.50 to £10.42 an hour, for those aged 23 and over. The Government continues to aim for a NLW of two-thirds of median incomes by 2024. The last Council FYFP assumed a general pay award of 2% for 2023-24. The unions have yet to submit a 2023-24 pay claim to the national employers, which means that local authority negotiations have yet to commence. The submission is expected by the end of January 2023. Given current high inflation rates and the level of the 2022-23 pay award, a pay offer of 2% is unlikely for the next financial year. Therefore, an increase of 4% in 2023-24 has been assumed. This equates to an additional forecast cost of £9.335m for 2023-24 basic pay award salary increases, excluding separately funded areas outside of the Council's Revenue Budget, such as those funded by the DSG.
- 4.6.8 In addition to the 2023-24 basic pay salary increases contingency of £9.335m in paragraph 4.6.7, the 2023-24 pay award contingency total of £11.051m includes other pay-related elements as set out in the table below:

	Pay Award Contingency £m
2023-24 Basic pay salary increases	9.335
2023-24 Additional hours	0.231
2023-24 Relief hours	0.344
2023-24 Pay based allowances	0.449
2023-24 Fixed based allowances	0.097
2023-24 Increases for social worker growth, Soulbury Pay Scale workers, Coroners and Members' Allowances	0.295
2022-23 Increases for social worker growth, Soulbury Pay Scale workers, Coroners and Members' Allowances (not yet finalised)	0.300
	<hr/> 11.051 <hr/>

- 4.6.9 The additional total forecast cost of 2023-24 pay awards will be held in the Council's contingency budget, until such time that a final agreement has been made, when the budget will be allocated to departments. If the pay award is agreed at a level above this, the additional cost will have to be found from within existing budgets or managed through the use of reserves in 2023-24.

4.7 Corporate Budgets

Contingency Budgets - £48.902m

- 4.7.1 The overall Contingency Budget includes pay and price issues elements of £37.984m, detailed below, less an ongoing Local Government Pension Scheme (LGPS) employer pension contributions saving of £1.726m, which is forecast because of a planned reduction in the charge to departmental budgets for LGPS employer contributions. This follows an update to the forecast level of pensionable pay, informed by actual pensionable pay experience. This saving is to be held in the Contingency Budget until pay data for the whole of 2022-23 is available.

The overall Contingency Budget also includes one-off Departmental Service Inflationary Pressures of £12.644m to be held over pending further information, as detailed in Appendix Five. The total Contingency Budget is £48.902m as set out in the table below:

	Contingency Budget £m
Pay and Price Issues – Paragraph 4.7.2	37.984
LGPS Derbyshire Pension Fund Employer Contributions Saving	-1.726
One-off Departmental Service Inflationary Pressures	12.644
	48.902

Pay and Price Issues - £37.984m

4.7.2 The Council maintains a Contingency Budget which is used to help manage pay and price increases over which there is some uncertainty. The total Contingency Budget for pay and price issues is £37.984m as set out below:

	Contingency Budget Pay and Price Issues £m
Contract Fees Paid to Care Providers Increases	22.830
Due to the increase in the NLW each year, there has to be a significant increase in the contract fees the Council pays to care providers, to reflect the additional cost pressures on the providers. For 2023-24, the NLW will increase by 9.7%, from £9.50 to £10.42, for those aged 23 and over. This amount is to be held in the Contingency Budget until negotiations with providers are complete.	
Pay Award	11.051
See paragraphs 4.6.3 to 4.6.9 above. Negotiations are still ongoing for the 2023-24 pay award. These amounts are to be held in the Contingency Budget until negotiations are complete.	
Other Inflation	3.903
This is additional funding set aside to support Departments with ongoing inflationary pressures as set out in Appendix Five. These amounts are to be held in the Contingency Budget until actual costs are known.	
External Audit Fee Increase	0.200
This is to cover expected increases in the Council's external audit fees from 2023-24 onwards, following advice by Public Sector Audit Appointments (PSAA) to	

anticipate fee increases of the order of 150%. This was reported to Audit Committee on 29 November 2022.

37.984

LGPS Derbyshire Pension Fund Employer Contributions - £nil

- 4.7.3 The last Council FYFP assumed that the Council's LGPS employer pension contribution rate would increase from 2023-24. This ongoing pressure was expected to be up to £1.000m. However, following completion of the 2022 valuation exercise on the LGPS Derbyshire Pension Fund (Fund), it has been confirmed by the Fund Actuary that the Council's LGPS employer contributions will remain unchanged for the next three years from April 2023, with the result that an amount is not required to be set aside in the 2023-24 Contingency Budget.

External Debt Charges and Minimum Revenue Provision - £38.622m

- 4.7.4 This represents the interest payable on the Council's outstanding debt. The Council has paid off a number of loans in recent years, which were used to support the Council's Capital Programme, and has not undertaken further borrowing. In 2018-19 this provided the opportunity to reduce the ongoing budget by £8.500m, to reflect the overall reduction in interest charges, with a further net reduction of £0.500m by 2021-22. The debt charges budget was then increased by £2.925m in 2022-23.
- 4.7.5 The Minimum Revenue Provision (MRP), is a prudent amount of revenue set aside to contribute towards capital expenditure which has been financed by borrowing or credit arrangements. The Council updated its MRP Policy in 2016-17, in a report to Cabinet on 22 November 2016, when it was concluded that future savings could be achieved without compromising the future prudent provision made by the Council.
- 4.7.6 The Council will continue to review its MRP Policy annually, to ensure in future years that adequate and prudent provision is still being made.
- 4.7.7 Given the significant cuts to public expenditure, and in particular to local government funding compared to service pressures, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates much lower than long-term rates in recent years, it has been more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead. By doing so, the Council has been able to reduce net borrowing costs and reduce overall treasury risk.

Using available cash for capital schemes is known as 'internal borrowing'. Whilst ever internal borrowing is possible, the benefits of

continuing to do so will continue to be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to continue to rise.

The Council will monitor this 'cost of carry' and breakeven analysis. However, there is the additional possibility that cash reserves will run low in the next twelve months and the Council will have to consider additional borrowing. Borrowing at long-term fixed rates would cause additional cost in the short-term but could keep future interest rates low if interest rates are forecast to continue to rise.

- 4.7.8 In addition, the Council may borrow short-term to cover cash flow shortages where it is advantageous to do so.

Risk Management Budget - £nil

- 4.7.9 The Council has maintained a Risk Management Budget for a number of years, the purpose of which is to provide a base budget from which the Council can help manage some of the longer-term risks and pressures, alongside the resources available in the Earmarked Reserve available for budget management and General Reserves.

- 4.7.10 Whilst the budget has been used to manage balances such as grant funding received in year, in order for the Council to set a balanced budget in 2023-24, it is not possible to start the year with a balance on the budget. Any fluctuations will be managed in-year, as appropriate, through the use of reserves where it is appropriate to do so.

Interest Receipts - £4.538m

- 4.7.11 The Bank of England (BoE) has increased its Bank Rate from 0.50% to 3.50% in 2022. The MPC noted that domestic inflationary pressures are expected to remain strong with the implication that further Bank Rate rises should be expected to address high inflation. The Council's budget assumes that the Council will continue to earn additional income, by utilising a range of risk assessed investment vehicles to increase its income from external investments.

- 4.7.12 In the Council's 2021-22 Revenue Budget, the budget for interest and dividend receipts was reduced by £2.182m, to £4.016m, reflecting the continuing impact of the pandemic on returns. In 2022-23 the budget was increased in-year to £4.538m. Interest and dividend receipts are currently forecast to be £5.089m in 2022-23, which exceeds this budget.

- 4.7.13 Whilst the base rate of interest has increased, there is a perception that the Council would have the opportunity to increase its investment income. However, whilst increases in base rate impact favourably when the Council loans money to other local authorities, this is offset by higher interest costs on its temporary borrowing from other local

authorities for cashflow purposes. As a result of the Council using its cash balances for 'internal borrowing' (paragraph 4.7.7) and also using its cash-backed available reserves to support the Revenue Budget in recent years, the Council has a decreasing level of cash on which to earn interest and dividend receipts.

4.8 Service Pressures

- 4.8.1 A number of service pressures have been identified by Departments. Details of Departmental pressures identified for 2023-24 are shown at Appendix Five. Service Pressures originally identified by Departments have been reduced to the position shown, following extensive senior cross-departmental review and challenge.
- 4.8.2 Ongoing Departmental service pressures of £20.544m will be allocated to Departmental base budgets.
- 4.8.3 Overall Ongoing Service Pressures of £25.893m include the above Departmental services pressures of £20.544m, plus reimbursement of the brought forward negative balance on the Corporate Risk Management Budget of £5.349m, all referred to in Section 4.7 above.
- 4.8.4 One-off support of £11.063m will be allocated from reserves for one-off Departmental Service Pressures. A further £12.644m will be held over in reserves as a contingency for one-off inflationary pressures until actual costs are known. Details of this one-off support are set out in Appendix Five.

4.9 Budget Savings Targets

- 4.9.1 Target savings by the end of 2027-28 are estimated to be £46.663m, of which £37.550m have been identified.
- 4.9.2 Significant consultation and planning timeframes are required to achieve many of these savings. Delays in agreeing proposals could result in overspends by departments, which would then deplete the level of General Reserve held by the Council, decreasing its ability to meet short term, unforeseeable expenditure.
- 4.9.3 In many cases the proposals will be subject to consultation and equality analysis processes. In including potential cost savings in this report no assumptions have been made as to the outcome of those consultations or the outcome of final decisions which have yet to be made. With regard to the savings proposals which have not yet been considered by Cabinet and, where appropriate, by individual Cabinet Members, the necessary consultation exercises will be undertaken, and any equality implications will be assessed before final decisions are made. Throughout the process it will be essential to ensure that the Council continues to meet its statutory and contractual obligations.

- 4.9.4 Details of identified departmental annual budget savings totalling £37.550m over the FYFP are shown at Appendix Seven. Significant budget preparation work has taken place in 2022. This has helped in identifying some additional savings. Overall savings of £16.190m include an ongoing LGPS employer pension contributions saving of £1.726m, which is forecast because of a planned reduction in the charge to departmental budgets for LGPS employer contributions. This follows an update to the forecast level of pensionable pay, informed by actual pensionable pay experience. This saving is to be held in the Contingency Budget until pay data for the whole of 2022-23 is available.
- 4.9.5 There remains a £9.113m shortfall of identified annual budget savings against the £46.663m budget savings target over the five years of the FYFP. In headline terms the Council has now identified measures which should help achieve 80% of the budget gap over the period of the FYFP. This is an improved relative position than was reported in the Revenue Budget Report 2022-23, when measures had been identified to meet 39% of the budget gap. This improved position has resulted from an increase in identified annual budget savings and from additional forecast funding, following Government announcements in the Autumn Statement and Provisional Settlement in respect of 2023-24 and 2024-25.
- 4.9.6 The table below summarises the savings originally identified in last year's Revenue Budget Report for 2023-24, changes made since then to arrive at the revised savings identified by department for 2023-24, and the level of achievement of 2023-24 savings for each department planned for 2023-24.

	Original* 2023-24 Savings Identified £m	Changes £m	Revised 2023-24 Savings Identified £m	2023-24 Savings Achievable in 2023-24 £m
Adult Social Care and Health	9.289	2.850	12.139	12.139
Children's Services	0.000	0.500	0.500	0.500
Place	1.200	0.000	1.200	1.200
Corporate Services and Transformation	0.625	0.000	0.625	0.625
Total	11.114	3.350	14.464	14.464

*New 2023-24 savings in last year's Revenue Budget Report.

4.9.7 The savings proposals continue to mark a change from principles adopted for a number of years until 2020-21, with significant protection again for the Children's Services budget, as in 2021-22 and 2022-23.

4.9.8 The Council is reviewing all of its savings initiatives and developing a programme of savings proposals to address the estimated funding gap over the medium term. Where savings have not been achieved in previous years and brought forward into the current financial year, mitigations and alternative savings delivery are being considered.

4.10 Statutory Requirements of the Local Government Act 2003

4.10.1 There is a duty placed on the Interim Director of Finance & ICT, as the Council's statutory Chief Financial Officer (Section 151 Officer), to report on certain matters to Council when it is making its statutory calculations required to determine its precept. The Council is required to take the report into account when making the calculations. The report must deal with:

- The robustness of the estimates included in the budget.
- The adequacy of reserves for which the budget provides (guidance on local authority accounting suggests this should include both the General Reserve and Earmarked Reserves).

4.10.2 Good practice requires the Council to consider the professional advice of the Chief Finance Officer on these two matters. This report has been drafted with all of these requirements in mind and this section in particular deals with these matters and their connection with matters of risk and uncertainty for the Council.

Governance in Setting the Budget

Estimation Processes

4.10.3 There has been no change to the fundamental methods used in the preparation of the budget, this has ensured that many professional officers from a range of different disciplines are involved in a process which takes into account and evaluates all known facts.

There continues to be great emphasis on assessing and evaluating all known changes, including pay and price levels, statutory changes and demands for service. None of these matters are omitted from advice to Members. The process is underpinned by the Council's integrated Risk Management Strategy, service improvement and Improvement and Scrutiny deliberations. In particular, emphasis is placed on the ability to maintain and develop services through a five year forward financial planning process linked to agreed Council Plan and Service Plan objectives.

Going Concern

4.10.4 A report of the assessment of the Council's Director of Finance & ICT, as S151 Officer of the Council's status as a 'going concern' was reported to Audit Committee on 29 November 2022. The report concluded that 'going concern' was the appropriate basis for preparing the Council's Statement of Accounts 2021-22.

Role of Audit Committee

4.10.5 The Council's Audit Committee receives regular reports detailing the strategic risks facing the Council, along with mitigation in place to ensure they are manageable. This provides a significant overview of the Council's potential liabilities and is supported by a rigorous set of processes across the organisation. Audit Committee also receives regular reports regarding the procedures and practices in place to ensure that the Council's budget and performance are closely monitored.

Financial Management Code

4.10.6 CIPFA has designed a Financial Management Code (FM Code) to support good and sustainable financial management, giving assurance that authorities are managing resources effectively. The FM Code identifies risks to financial sustainability and introduces a framework of assurance. This framework is built on existing successful practices and sets explicit standards of financial management. Complying with the standards set out in the FM Code is the collective responsibility of the Council's elected members, the S151 Officer and their professional colleagues in the Leadership Team. Complying with the FM Code will help strengthen the framework that surrounds financial decision making.

4.10.7 A report was presented to Audit Committee on 29 November 2022, which provided an update on the Council's progress towards complying with the FM Code standards. The Council considers that it has strong levels of compliance, and that this has been further strengthened by action taken to address the areas where further work has previously been identified as being required.

4.10.8 In support of assessing compliance with the FM Code, it is worth noting that the Council's financial practices and processes are regularly reviewed as part of the Council's Internal Audit Plan. Recent audits of the Council's accountancy and budgetary arrangements, accounts payable and accounts receivable functions have all received a substantial assurance opinion, underpinning robust financial procedures that are embedded across the Council.

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- 4.10.9 The Government's commitment to support additional social care funding is welcome. However, it is not enough to meet the rising cost pressures experienced by the Council to date and over the medium-term. This report and the response to the Provisional Settlement demonstrate the exceptional demand led pressures experienced by local authorities in recent years. Disparities in the current funding regime need to be addressed so that there is a mechanism which addresses the funding disparity for social care across the country.
- 4.10.10 There is uncertainty around the variables used as part of the budget-setting process for 2023-24. However, planning has been based on what is known at this time. Whilst the Autumn Statement has provided some stability, without a multi-year Settlement the medium to longer-term outlook remains unclear. All local authorities in the UK are faced with another period of uncertainty and without knowing what the individual funding allocations are likely to be beyond 2023-24/2024-25 there is uncertainty as to what this means for the need for further austerity measures from 2025-26.
- 4.10.11 The Council has had sound financial management arrangements in place for a number of years, supported by a healthy, risk assessed five-year financial planning programme. It is because of these arrangements that the Council has been able to set balanced budgets year-on-year in the past and will be able to do so again for 2023-24.

This does not mean that the setting of the 2023-24 revenue budget comes without risks which need to be properly identified and understood.

The OBR's 'Economic and Fiscal Outlook' published alongside the Autumn Statement highlighted that global energy and food supply shocks emanating from Russia's invasion of Ukraine have intensified during the second half of 2022. Furthermore, the curtailment of Russian imports has seen European wholesale gas prices rise ten-fold from pre-pandemic levels and markets now expect prices to remain four times higher in the medium term.

The OBR estimates that inflation will fall sharply over the course of the next year and will be dragged below zero in the middle of the decade by falling energy and food prices, before returning to its 2% target in 2027.

This brings its own challenges in terms of the estimates and assumptions used in setting the budget for 2023-24. The Council will continue to closely monitor its budgets as the 2023-24 financial year progresses. There will be close scrutiny of the budget allocated to departments to support inflationary and demand pressures. Where the costs are not as high as estimated, the budget will be clawed back from departments to help support and maintain a balanced budget.

Pressures

4.10.12 There is a significant commitment in the Council's 2023-24 revenue budget to provide an additional £47.277m of ongoing funding and £23.707m to further support the Council's Departmental service pressures. Departmental service pressures of £70.984m are as set out in the table below:

	Departmental Service Pressures £m
Ongoing Departmental pressures allocated directly to Departments	20.544
Ongoing Departmental contract fees paid to care providers inflation contingency held until costs are known	22.830
Ongoing Departmental inflation contingency held until costs are known	3.903
Base Budget - Ongoing Funding	47.277
One-off Departmental pressures allocated directly to Departments	11.063
One-off Departmental inflation contingency held until costs are known	12.644
Use of Reserves – One-Off Funding	23.707
	70.984

- 4.10.13 This 2023-24 commitment includes approximately £12m of ongoing budget growth for the Adult Social Care and Health budget, with a further £23m of ongoing budget held as a contingency, for increases in contract fees paid to providers, until costs are known. There are particular pressures around hospital discharge from the National Health Service (NHS), with an increase in demand, and because there is an insufficient supply of home care and reablement services, this has driven increased placements into residential homes rather than into care at home.
- 4.10.14 The Children's Services budget has been under significant financial pressure for several years, despite significant additional ongoing budget increases and one-off funding, particularly aimed at meeting increases in the costs associated with rising numbers of looked after children. The 2023-24 commitment includes a further £2m of ongoing budget for children's social care and £2m for home to school transport, held as a contingency until inflationary costs are known. However, the fact remains that numbers are still rising, and predictive models currently used indicate a high degree of volatility in those numbers.
- 4.10.15 If current trends continue and the Government fails to provide adequate further funding to support these services, there will be further pressure on budgets in 2024-25 and in later years. The ability to estimate the value of these pressures or minimise demand is a challenge for the Council but needs clarity over the medium term.
- 4.10.16 This level of funding is considered to be affordable but with associated risks. In addition to the pressures recognised in the report for funding in 2023-24 there was a significant level of other budget pressures submitted by Departments which were not recommended for additional funding and are not covered by contingency funding in the 2023-24 revenue budget. In many cases this reflects uncertainty as to whether these pressures will either arise at all or to the level first indicated by departments. A further general contingency pressure could cover this, but this has not been possible, based on available funding. If these pressures do occur, the funding would initially come from the Council's General Reserve in 2023-24, although no funding has been set aside in the forecast for this. Thereafter any such ongoing pressures must be met from additional savings that would need to be allocated to Departments on top of those forecast.
- 4.10.17 The Council's Climate Change Strategy: Achieving Net Zero (2021-2025) was approved and published by the Council in October 2021. This Strategy establishes the Council's target to be an organisation that has net zero carbon emissions by 2032 or sooner.

Reserves

- 4.10.18 An important link to the adequacy of reserves is the cash limit policy adopted some years ago. The approved Budget is expressed as cash limits. These should not be exceeded and where services have what are called “demand-led” issues, these are to be resolved in-year within cash limits. Budgets will continue to be subject to regular monitoring and reporting to both budget holders and Members. In recent years any year end overspending has tended to be met from the General Reserve rather than allocated to departments to find in the following year or from within their existing departmental reserves. In 2023-24 the ability to meet such pressures corporately will diminish based on medium term financial forecasts and departments should plan on the basis that they cannot rely on General Reserves to offset year end overspending.
- 4.10.19 The Council has in place a Reserves Policy which sets out the framework within which decisions will be made regarding the level of reserves. In line with this framework the balance and level of reserves are regularly monitored to ensure they reflect a level adequate to manage the risks of the Council. This covers both the General Reserve and Earmarked Reserves. Details of the latest review are included in a separate report for consideration at this meeting.
- 4.10.20 The level of General Reserve available over the next few years is largely dependent on the achievement of the annual budget savings target. As at 31 December 2022, the balance on the General Reserve is £31m. The level of the General Reserve is forecast to be between £13m and £20m over the medium term. Taking account of demand led pressures, any overspends in services over and above those currently projected would see the balance fall below £13m. In the Audit Commission’s ‘Striking a Balance’ report published in 2012, the majority of Chief Finance Officers at the national level regarded an amount of between three and five per cent of councils’ net spending as a prudent level for risk-based reserves. Over the medium term the Council’s forecast figure is between 1.8% and 2.9%.
- 4.10.21 It is recognised that the forecast General Reserve balance over the medium term is significantly lower than would be preferred. If funding allows, restorative measures will be utilised over the period of the FYFP and beyond to build back up the balance of the General Reserve. There are further options around the funding of planned capital investment projects which could release in excess of £30m of revenue contributions to fund capital expenditure which could alternatively be funded from additional borrowing and the money utilised instead to ensure that the Council’s General Reserve position remains at a reasonable, risk-assessed level.
- 4.10.22 The Council’s FYFP has identified the need for significant savings in the medium term. The achievement of these savings is critical in ensuring that the Council balances its budget.

- 4.10.23 In order to achieve a balanced budget over the medium term, the Council is reliant on the achievement of a programme of budget savings. Progress against the budget savings targets will be closely monitored, however, lead-in times for consultation activity and increased demand on services, such as adult care and children in care demographics, mean that there is a continued risk of not achieving a balanced budget. Indeed, certain budget savings that were identified in the last medium-term plan have since proved to be unachievable and others need to be found to substitute for them.
- 4.10.24 There is still a risk of delay in implementation or indeed an inability to progress a particular saving for a variety of reasons. Delay can be relatively straightforward to quantify and in global terms can be expressed by noting that an average one month's delay across all the savings identified for the coming year would require the use of around an additional £1m of General Reserve; as a one-off cost this is manageable within the context of the resources available. The non-achievement of an indicated saving is less manageable and as a consequence Executive Directors have been made aware of the need to bring forward alternative savings, to at least an equal value, should this scenario occur.
- 4.10.25 The Council has also established a Budget Management Earmarked Reserve, which is being used to supplement the use of the General Reserve to manage, where appropriate, any delayed savings to services, as detailed earlier in this report. The Council's Performance Monitoring and Revenue Outturn 2021-22 Report allocated, from the release of earmarked reserves and underspends, £10.000m to the Budget Management Earmarked Reserve, £10.000m to a reserve for inflation risks, £5.251m to a reserve for business rates risks and also £4.000m to a reserve for cyber security. In the Provisional Settlement there is encouragement for local authorities to consider how they can use their reserves to maintain services in the face of immediate inflationary pressures, taking account of the need to maintain appropriate levels of reserves to support councils' financial sustainability and future investment. This acknowledges that local authority reserves levels have increased in recent years. In line with this, the Council's Budget Management Earmarked Reserve and the Council's other earmarked reserves available for budget management are forecast to be depleted in 2024-25, mainly in funding the one-off pressures in the 2023-24 Revenue Budget. Measures will need to be considered to replenish these budget management reserves.
- 4.10.26 The Council made the strategic decision to fund its capital expenditure since 2018-19 from additional borrowing, rather than its revenue budget. These revenue contributions are held in an Earmarked Reserve (the Revenue Contributions to Capital Expenditure Earmarked Reserve), which is being held to supplement the use of the General Reserve and support the management of revenue budgets over the

medium term. The Revenue Budget Report since 2020-21 has approved the use of one-off support for the revenue budget from this Earmarked Reserve and it proposed that there is further one-off support for the revenue budget in 2023-24. Further contributions to this Earmarked Reserve, in the region of £6m, should be possible in 2023-24.

- 4.10.27 Whilst the Council maintains an adequate level of General Reserve, failure to achieve the required level of budget savings, in order to balance the budget, would see the balance of the General Reserve significantly depleted and lead to issues around financial sustainability that would require urgent, radical savings rather than the planned process that minimises the impacts of reductions as far as possible. The table below illustrates the reasonable, pessimistic forecast of General Reserve balances over the medium term.

2023-24	2024-25	2025-26	2026-27	2027-28
£m	£m	£m	£m	£m
19.725	15.573	15.873	14.373	12.873

- 4.10.28 Earmarked Reserves are required for specific purposes and are a means of smoothing out the costs associated with meeting known or predicted liabilities. These reserves have no specific limit set on them, but they should be reasonable for the purpose held and it must be agreed that they are used for the item for which they have been set aside.
- 4.10.29 The external auditor makes a judgement on the financial stability of the Council each year when the accounts are audited. The judgement continues to be positive subject to the continuing achievement of budget savings and the maintenance of a robust, risk assessed level of reserves.

Medium Term Planning

- 4.10.30 Undoubtedly the Council has managed the achievement of a balanced budget in a robust and planned manner over the period of downturn in general Government support for local authority spending since 2010 (albeit with increased funding support beginning to be received in recent years).
- 4.10.31 Given significant uncertainty regarding the duration of high inflation rates, the extent of future service pressures and how successful the mitigation work that is underway will be and local government devolution, together with the wide range of risks outlined below, it is vital that in setting the budget for 2023-24, consideration is also given to the financial years beyond it and the longer-term financial sustainability of the Council.

4.10.32 If the Council is to achieve its Council Plan vision, it needs services to be delivered on a stable financial footing. Setting a balanced budget in each year of the FYFP will still require significant savings to be found by departments.

The demand pressure work for both Adult's and Children's Services have the potential to realise significant savings, but it should be noted that it will be some years before they are fully achieved. The pandemic slowed down the Council's savings programme and Departments will again be playing 'catch-up' in the next financial year whilst battling with delivering substantial savings proposals identified for 2023-24 and preparing for further savings required from 1 April 2024 onwards.

The forecast level of the Council's General Reserve means that the Council's ability to 'soft land' these savings to a limited extent in the short-term is a far less viable option than in previous years. Any such 'soft landing' will restrict the ability and flexibility of the Council to use the General Reserve for forecast or unforeseen purposes later in the FYFP period.

4.10.33 Over recent years the Government has expected councils to rely more and more on Council Tax and localised Business Rates to fund services. However, core spending power for local authorities is estimated to increase by an average of 9.2% in real terms in 2024-25, which will help local authorities deal with inflationary and other cost pressures, with an 11.0% increase for the Council. It should be noted that this increase is based on the assumption that social care authorities will increase their Council Tax bills by the maximum 4.99% allowed without holding a referendum, which is a decision made at a local level. This report recommends that the Council accepts the need to levy a total increase of 3.75% (an ASC Precept increase of 1.25% and a basic Council Tax increase of 2.50%), which is lower than the maximum 4.99% allowed and therefore the Council's increase in core spending power is less than 11.0%.

4.10.34 The additional social care and other grant funding announced in the Autumn Budget 2022 is welcome and helps to partly support the pressures on the Council's vital services, however, underlying and existing pressures remain, presenting significant challenges in setting budgets and trying to protect services. All services will have to find further savings to already stretched budgets.

4.10.35 There has been over a decade of reduced funding for local government. The Council has made well over £300m of savings during this period and whilst remaining committed to delivering value for

money services, the ambition of the Council requires a significant period of transition to deliver the Strategic Approach as outlined in the Council Plan. There has to be a recognition that in some cases the Council may not be able to continue some services to the level it would like within the current funding envelope meaning some difficult decisions will be necessary.

4.10.36 Council Tax rises on households, many of which will be struggling as they cope with unemployment and an uncertain future, is a difficult decision. However, it is the single most effective way of providing base budget to support the delivery of services and maintain financial sustainability over the longer term. In the early days of the pandemic billing authorities anticipated that many households would struggle to pay Council Tax bills and there was an expectation that direct debit cancellations would be abundant. This did not transpire. Collection rates are back to around the level they were pre-pandemic.

4.11 Five Year Financial Plan

4.11.1 The Council's FYFP is reviewed and updated annually and reflects an assessment of the Council's spending plans in the current and next four financial years. It includes the ongoing implications of approved budgets, service levels, costs of the capital programme and costs of servicing its debts and returns from its investments. The Council's FYFP for the period 2022-23 to 2026-27 was reported to Council as part of the Revenue Budget Report in February 2022. The FYFP has been updated for the period 2023-24 to 2027-28 to inform the annual budget setting process. A copy of the FYFP is shown at Appendix Seven.

4.11.2 Members need to give consideration to a number of risks regarding the assumptions made in developing the FYFP, these being:

Risks and Uncertainties

- **Achievement of Savings** – there is a reliance on the achievement of a programme of budget savings. Any delays in implementation result in departmental overspends under normal circumstances, which result in reserves being used to cover the shortfall. Various scenarios for reserves have been modelled and the pessimistic General Reserve forecast results in a balance which is just 1.8% of forecast FYFP spending in 2027-28. Other earmarked reserves available for budget management are also forecast to be depleted in 2024-25, in line with Government expectations for local authorities to reduce their reserves

levels to maintain services in the face of immediate inflationary pressures. The General Reserve needs to be preserved across the medium term to maintain financial sustainability and to protect the ability to soft land budget cuts.

- **Service Pressures** – there is a commitment to support budget growth where necessary, and in particular within adult's and children's social care. However, if current trends continue regarding placements and NHS discharges, and there is inadequate funding to support this, there will be further pressures on budgets in later years. Analysis is underway to consider how to mitigate these demand pressures, which has the potential to help control some of these financial pressures, but they are unlikely to be effective in the short-term. Demographic growth continues to affect Adult Social Care costs. Predictions show that the Council will experience further annual growth, with significant additional annual costs estimated over the period of the FYFP.
- **Pay** – the FYFP assumes a 4% increase in 2023-24. Increases from 2024-25 onwards are assumed to be 2%, based on the current expectation that inflation may have peaked and will have begun to reduce by then.

The Council would welcome further Government support for local authorities in the 2023-24 Settlement, or if that is not possible, in future settlements, to address the serious issue of increasing pay award pressures in a period of rising inflation. Additional funding would assist the Council in its recruitment and retention of staff, which is becoming increasingly difficult at this key time for local authorities, when services are competing with rising demand, as well as capacity issues across the sector.

- **Economic Climate** – the ongoing conflict in Ukraine has continued to put pressure on global inflation and the economic outlook for UK and world growth remains weak. UK political instability towards the end of the period increased uncertainty further. The economic backdrop has continued to be characterised by global high oil, gas and commodity prices, ongoing high inflation and its impact on consumers' cost of living, no imminent end in sight to the Russia-Ukraine hostilities and its associated impact on the supply chain, and China's zero-Covid policy, although this has recently ended. Annual headline UK CPI inflation reached 10.7% in November 2022. Rising inflation means there is the potential for reductions in the Council's income for discretionary services.

- **Spending Reviews** – The Provisional Settlement provides provisional allocations for one year, although for key grants there are some indicative allocations of the quantum of funding for 2024-25 in the Autumn Statement and Provisional Settlement. It is disappointing that the Provisional Settlement has failed to announce a multi-year settlement, as it constricts the flexibility of local authorities to balance budgets across the medium term. The local government sector has implored Government for a multi-year settlement. Despite the signals, 2023-24 will be the fifth continuous single-year settlement. A multi-year settlement provides local authorities with some certainty, supporting medium-term financial and service planning, and financial sustainability. There is also a risk that the Government's investment in the recent Covid-19 pandemic and in increasing social care funding in recent years may result in further austerity measures in future years, which could be as soon as 2025-26, when savings will be required to repay the debt incurred by Government. The FYFP assumes a £20m reduction in the Council's Social Care Grant from 2025-26.
- **Fair Funding and Business Rates Reviews** – the reviews have been delayed for a number of years and the planned implementation was again postponed. The Government has now confirmed that the Fair Funding Review and the Business Rates reset will not be implemented in this Spending Review period, although the Government 'remains committed to improving the local government finance landscape in the next Parliament'. A transparent, fair funding system is required, which reflects need and ability to fund services locally. The FYFP is predicated on the basis that mainstream funding continues as it is now.
- **Public Health Grant** – the Council's allocation for 2023-24 is expected to be announced early in 2023. At some point it is expected that the funding for Public Health will form part of revised funding mechanisms for local authorities following funding reviews.
- **Devolution** – the Levelling Up White Paper was published in February 2022. The paper sets out how Government will spread opportunity more equally across the UK. Levelling up is a long-term endeavour. It is a programme of change that requires a fundamental shift in how central and local government, the private sector and civil society operate. The Government will embark on a process of sustained and systematic engagement and consultation with a wide range of stakeholders, including devolved administrations, on the White Paper. Further detail on a number of these policy commitments will be set out in future publications. In addition, legislation will be introduced to Parliament to underpin in statute the changes fundamental to levelling up, alongside wider planning measures. The East Midlands devolution deal, which covers Derbyshire, Nottinghamshire, Derby and Nottingham, was announced in August 2022. A county consultation on

the devolution proposal ran from 14 November 2022 to 9 January 2023. Devolution has the opportunity to:

- Bring £1.14 billion more funding to the East Midlands, with powers to improve transport, adults skills training, housing and the environment, and to encourage the creation of good quality jobs that give people a decent standard of living and a better quality of life.
- Enable more decisions about the East Midlands to be taken in the region. Devolution is a chance for the people who live in the region to have a much greater say over issues that affect them, including by directly electing the first regional mayor.
- Bring more opportunities for the East Midlands. Devolution will provide more tools to help the region recover from the Covid-19 pandemic and ensure that the region is well-placed for further devolution of funding and powers in future.

4.11.3 Further significant risks are illustrated below.

Local Taxation

4.11.4 The following risks have been identified in respect of the Council's locally raised income from taxation, which is the income the Council receives from locally retained Business Rates, Council Tax and fees and charges. These risks must be managed effectively.

- **Current national and local economic conditions** - including inflation levels, economic growth rates, interest rates and unemployment levels, impacting on Business Rates, Council Tax and income from fees and charges.
- **Collection of amounts owed** – collection fund deficits for both Council Tax and Business Rates result and increase when there is a reduction in collection rates and this depends on the effectiveness of local borough and district councils, as well as on economic conditions.
- **Business Rates appeals** – exposure to appeals against rate valuations and avoidance of the tax. Whilst some appeals will go in the favour of local authorities, the uncertainty of the outcome and lack of knowledge about the timing of the decision means that councils are forced to accept a significant, unpredictable financial risk, impacting on the availability of funding for services.
- **Business Rates as taxation** – it is presently not known how Government's confirmation that the Business Rates reset will not be implemented in this Spending Review period but that it 'remains committed to improving the local government finance landscape in the

next Parliament' might affect the Business Rates Retention system or future Local Government funding arrangements.

- **Future Council Tax levels** - a long-term consensus on future Council tax levels needs to be agreed as part of a strategy for the Council, within the context of forecast Referendum Principles limits.
- **Trading operations** – these have been pursued by departments for several years as a means of balancing budgets. The Covid-19 pandemic has highlighted the reliance of some services on external income from sales, fees and charges. Whilst the Government's scheme has assisted in meeting some of the shortfall, it has now ended, and adequate charges should reflect risk to provide security when incomes fall. A thorough review of services and charges must be undertaken in order to minimise risk to the rest of the Council's service delivery.

Service Pressures

4.11.5 The increasing importance of the identification of the nature and size of future budget pressures will require changes to the horizon scanning currently undertaken by departments, in order to reduce risks inherent in formulating and planning to meet pressures in the FYFP. The Council is working towards agreed methodologies for quantifying the cost implications of the areas of large and consistent budget pressures and ensuring these are adequately reflected in risk registers, alongside suitable mitigations, but there is still more work required in this area.

4.11.6 All other budgetary pressures will need to be contained within departmental budgets. As stated in the Revenue Budget Report 2021-22, where departments overspend from 2021-22 onwards, the Council's policy of ensuring that the departmental overspend is met from that department's budget in the following year will be expected after several years of meeting these costs corporately from the General Reserve.

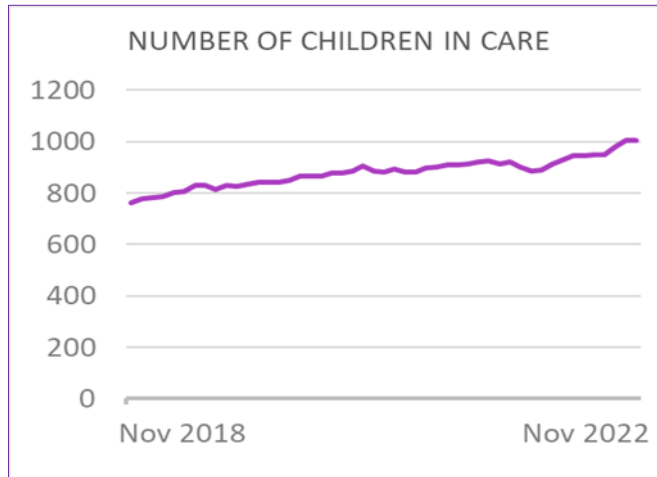
4.11.7 The Council's significant budget pressures are considered further below:

Children's Social Care

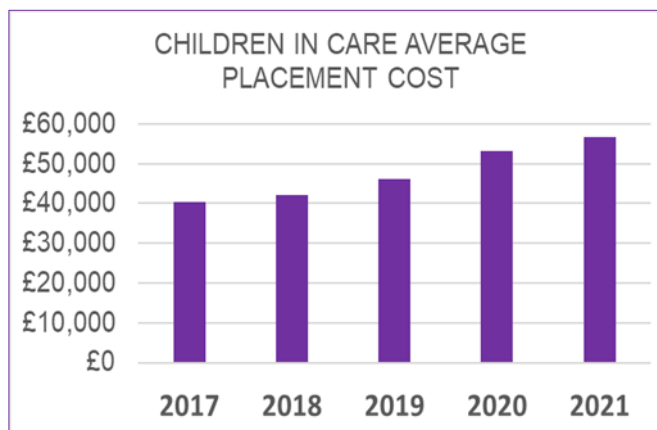
- As an upper tier authority, the Council is responsible for providing children's social care services. These services include child protection and safeguarding, care for looked after children and aftercare, support for vulnerable children and their families.
- Nationally the number of children in care has risen significantly over the past decade creating unprecedented demand pressures on

children's services. The national picture is being reflected in Derbyshire.

- As at 30 November 2022 there were 1,004 children in the care of the Council, a 32% increase on the number four years ago, as shown in the chart below.



- The costs of caring for looked after children have also been rising, as shown in the chart below.



- Average placement costs for children in the Council's care have risen 40% over the last four years
- Residential care is the most expensive form of care. Locally and nationally, the proportion of children in residential care has increased, largely due to councils struggling to source suitable alternatives such as foster care.
- These pressures, exacerbated by the impact of high inflation and cost of living increases on placement costs, are expected to continue to grow for the foreseeable future. The Council, along with many other local authorities in the country, continue to express concern

regarding substantial increases in the cost of children's social care, urging Government to provide additional funding for the service.

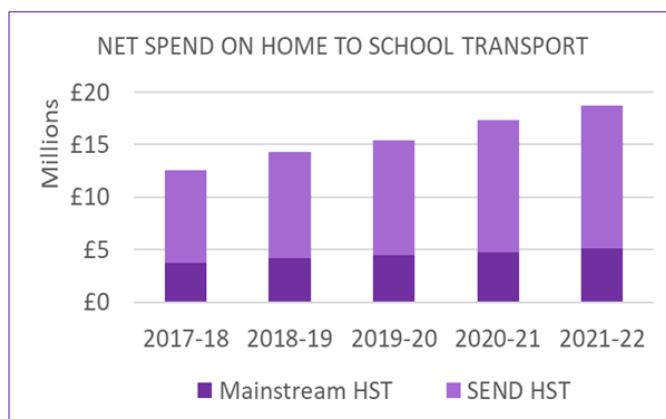
Schools and Learning

Whilst expenditure on school-related activity would normally be expected to be met from within the allocated DSG, there are some school based pressures which could fall to the Council's General Reserve to fund:

- The Council's accumulated DSG deficit was £5.050m at 31 March 2022. The DSG deficit will need to be recovered from future DSG income, although it has been announced that the statutory override for the accounting treatment of DSG positions will be extended for the next three years, from 2023-24 to 2025-26. The override had been due to expire at the end of March 2023. The main pressures for the Council, as with most local authorities, continues to be in respect of High Needs Block budgets. The December 2022 DSG announcement provides for an increase in High Needs funding of £11m (11%), however it is likely that further demand and inflation pressures may still result in spend exceeding income in 2023-24.

Deficit balances that exist at the point a school becomes an academy may be left with the Council to fund. This is the case for 'sponsored' academies. Sponsored academies are those where conversion is a result of intervention, or where the school is not considered to be strong enough without the aid of a sponsor.

- There are some statutory duties relating to education which are funded from the Council's revenue funding. These include home to school transport (HST).
- Transport cost increases and growing numbers of pupils eligible for Council-funded transport have led to significant increases in spend on HST, in particular HST provided for children with special educational needs and disabilities (SEND), as shown in the chart below.



- Net costs have risen by 48% in the last four years and this trend is expected to continue.

Adult Social Care

- Demographic growth continues to affect Adult Social Care costs. Growth predictions show that the Council is subject to approximate annual increases of £3m in relation to older people demography, with a further £2m for children transitioning to adulthood. These additional costs of £5-6m each year are predicted to continue for at least the next five years.
- Over the last few years, the NLW has increased annually by between 2% and 10%. For 2023-24, the increase is 9.7%. This directly impacts on the contract fees the Council pays to care providers. If this level of increase is to continue it will cost the Council up to an additional £23m each year for at least the next five years.
- There are growing pressures around hospital discharge from the NHS, with an increase in demand, and because there is an insufficient supply of home care and reablement services, this has driven increased placements into residential homes rather than into care at home.

Waste

- The Council and Derby City Council ('the councils') remain engaged in work to consider the future of the New Waste Treatment Facility (NWTF) in Sinfin, Derby to deal with waste that residents in Derby and Derbyshire do not recycle. The councils have been developing a full business case comparing two options to either:
 - rectify and use the facility or,
 - close the facility and dispose of the waste using a third party.

A decision will be taken about the future of the facility on the basis of the business case. Activity taking place on site is limited to preservation and maintenance tasks until such a decision is taken.

- Resource Recovery Solutions (Derbyshire) Ltd (in administration) has commenced formal court proceedings against Derbyshire County Council and Derby City Council, following termination, in August 2019, of the Project Agreement for the Joint Waste Project, including the waste treatment centre in Derby. The councils will be defending these proceedings.
- New contracts have been put in place by the councils to make sure waste that residents cannot recycle or choose not to recycle continues to be dealt with and that recycling centres and waste transfer stations continue to operate.
- Waste Landfill tax, landfill site gate fees and contractual payments for the operation of Household Waste Recycling Sites and Waste Transfer Stations are subject to price rises in line with a basket of indexation factors set out in the contracts. There are also statutory increases of 3% in the cost per tonne of recycling credits.

Budget Savings

4.11.8 Budget savings identified must be achieved. Any reduction in the amount achieved will continue to be at the relevant department's risk and will require other savings to be made to offset them. Further savings need to be identified in detail over the medium term and in order to aid planning. This is particularly necessary given the increased savings gap.

Council Plan Priorities

4.11.9 Council Plan priorities have been considered, within the context of budget restraint, at Corporate Management Team Budget Sessions in November 2022 and December 2022. Competing service pressures were considered against a number of measures, including whether they met the Council's key priorities, which are 'Resilient, Healthy and Safe Communities'; 'High Performing, Value for Money and Resident Focused Services'; 'Effective Early Help for Individuals and Communities' and 'A Prosperous and Green Derbyshire'. Other considerations included 'how likely is it to happen?', 'is it statutory?', 'is it a priority in the Council Plan?', 'is it an invest to save/grow?' and 'can it be deferred into future years?'. The output of these Budget Sessions has helped to inform the final decisions made in terms of which service pressures to support.

Summary

4.11.10 The degree of uncertainty over medium term funding can be related to the following issues in particular:

- The increasing likelihood of councils issuing 'Section 114' notices (see Section 4.11.18 below) allied to the requirements of the Financial Management Code for transparency in the sustainability of individual local authorities.
- The continuing increase in pressures.
- The need to maintain a significant and risk assessed level of reserves over the medium term.
- The increasing difficulty in making significant and sustainable budget reductions.

4.11.11 The Council has a well-established and robust corporate governance framework. This includes the statutory elements like the post of Monitoring Officer, Section 151 Officer and Head of Paid Service, in addition to the current political arrangements. An overview of this governance framework is provided within the Annual Governance Statement (AGS), which is included in the Statement of Accounts. This includes a detailed review of the effectiveness of the Council's governance arrangements. Whilst it is not possible to provide absolute assurance, the review process as outlined in the AGS does conclude that the existing arrangements remain fit for purpose and help provide reasonable assurance of their effectiveness.

4.11.12 The Council's latest AGS, for 2021-22, highlights the significant ongoing impact that Covid-19 has had, but notes that the economic shocks created by the invasion of Ukraine by Russia and rising fuel and food costs, general inflation and fragile supply chains are now the most significant challenges to the Council's Financial Resilience, and therefore its going concern status, in the short to medium term.

4.11.13 As a principal local authority, the Council has to operate within a highly legislated and controlled environment. An example of this is the requirement to set a balanced budget each year, combined with the legal requirement for the Council to have regard to consideration of such matters as the robustness of budget estimates and the adequacy of reserves. In addition to the legal framework and Government control, there are other factors, such as the role undertaken by the external auditor, as well as the statutory requirement, in some cases, for compliance with best practice and guidance published by CIPFA and other relevant bodies. For example, the Council has measured itself

against the principles set out in CIPFA's Financial Management Code and is confident that it is achieving these in all substantive areas.

- 4.11.14 Against this backdrop it is considered unlikely that a local authority would be 'allowed to fail', with the likelihood being that when faced with such a scenario, that Government would intervene, supported by organisations such as the Local Government Association, to bring about the required improvements or maintain service delivery.
- 4.11.15 However, given the severity of the recent Covid-19 pandemic on the country's finances, it would be complacent to rely on Government intervention. DLUHC has conceded that authorities could still be left with unmanageable pressures and may continue to be concerned about their future financial position, urging any authority that found itself in that position to contact the department with immediate effect.
- 4.11.16 The Council has deployable resources and assets at its disposal in the short term. The greatest risk to its financial sustainability in the medium term is from a reduced level of reserves following provision of substantial budget support for 2023-24 and to a lesser extent in recent years, not achieving substantial budget savings, demand pressures on looked after children, the increasing effect of NHS discharge pressures and demographic growth on Adult Social Care costs, and concern over high levels of inflation which has delivered a significant economic shock. Furthermore, the Autumn Statement indicates that there will be support for local government over the next two years, with some level of certainty being given, although a possible further period of uncertainty from 2025-26 has been signalled.
- 4.11.17 There remains a risk to its financial sustainability in the longer term from not achieving substantial budget savings.
- 4.11.18 In Local Government, the Chief Finance Officer, also known as the Section 151 Officer (S151 Officer), has the power to issue a Section 114 notice (S114 notice) if there is a significant risk that the Council will not be in a position to deliver a balanced budget by the end of the current financial year. This is an emergency situation whereby a response is required by legislation. Councillors have 21 days from the issue of a S114 notice to discuss the implications at a Full Council meeting. The notice means that no new expenditure is permitted, with the exception of safeguarding vulnerable people and statutory services and continuing to meet existing contract obligations. Council officers must therefore carry out their duties in line with contractual obligations and to acceptable standards, whilst being aware of the financial situation. Any spending that is not essential or which can be postponed should not take place and essential spend is monitored. The only allowable expenditure permitted under an emergency protocol includes the following categories:

- Existing staff payroll and pension costs.
- Expenditure on goods and services which have already been received.
- Expenditure required to deliver the council's provision of statutory services at a minimum possible level.
- Urgent expenditure required to safeguard vulnerable residents.
- Expenditure required through existing legal agreements and contracts.
- Expenditure funded through ring-fenced grants.
- Expenditure necessary to achieve value for money and/or mitigate additional in year costs.

4.11.19 Several councils have issued S114 notices in the last three years due to their inability to balance their budgets. In October 2021 DLUHC published its response to the Select Committee's report on Financial Sustainability and the S114 Regime. Details of this were reported to the Council's Audit Committee in December 2021.

4.11.20 Experience and investigations into those councils experiencing financial failure demonstrates that periods of lower than allowed Council Tax rises can contribute significantly to exacerbate other financial issues, such as reducing Government support, increasing budget pressures, an overly-optimistic savings programme or lack of strength on the Balance Sheet.

4.11.21 Under Section 15 of the Local Government Act 1999 the Secretary of State for Levelling Up, Communities and Housing has the power to direct an intervention package where an authority is considered to be in breach of its Best Value duty. Recent examples of such interventions have included capitalisation directives, access to the Public Works Loan Board to refinance borrowing and the appointing of commissioners to oversee the management of certain local authority functions. The 'trigger event' for such interventions can be the issuing of a S114 notice.

4.11.22 A report of the assessment of the Council's Director of Finance & ICT, as S151 Officer, of the Council's status as a 'going concern' for the purpose of producing its Statement of Accounts for 2021-22, was reported to Audit Committee on 29 November 2022. The report stated that at that time there was no intention for the Council's S151 Officer to issue a S114 notice but that if the current financial pressures were to be sustained without additional funding and if sufficient and timely budget savings could not be realised there would be an increased likelihood that a notice would need to be issued.

4.11.23 Despite the Autumn Statement and Provisional Settlement significantly increasing the Council's funding for 2023-24, the Council still has an anticipated shortfall in funding for 2023-24, and is therefore

proposing to use £23.707m of reserves to support one-off pressures in the Revenue Budget 2023-24. Whilst the Council has sufficient reserves it can deploy to meet the anticipated funding shortfall in 2023-24, this will significantly impact on any future funding available to support the Council's planned improvements, to support any further delays to certain savings plans and will require additional general reserves to be set aside in order to ensure that the balance of general reserves remains at a prudent risk-assessed level. It also means that a similar level of support in 2024-25 will not be possible. Due to the Council's Treasury Management Strategy over the last decade being to use internal borrowing, rather than take on new long-term external borrowing, the Council has head-room, within the scope of its powers under the Prudential Framework, to take on additional external borrowing to preserve the liquidity of its cash flow, should it need to do so.

4.11.24 It is clear that it is vital that budget savings are delivered according to realistic plans and that tough decisions are taken to balance the budget.

4.11.25 Having regard to the Council's arrangements and the factors as highlighted in this report, the Interim Director of Finance & ICT, as S151 Officer, concludes that:

- Derbyshire County Council can set a balanced budget for 2023-24 by making substantial use of the Council's available earmarked reserves in the face of immediate inflationary pressures but without using the Council's general reserve balance, taking account of the need to maintain appropriate levels of reserves to support the Council's financial sustainability and future investment, as encouraged by Government in the Provisional Local Government Finance Settlement. The Council's general reserve is forecast to retain a relatively strong balance in 2023-24.
- It will also be possible to set a balanced budget across the period of the FYFP, provided tough decisions are taken to achieve this, including that currently forecast pressures do not increase further and identified savings are delivered on time according to realistic plans, because available reserves levels, which would be required to give the necessary additional support, have been significantly diminished in balancing the 2023-24 budget.
- The Council remains a going concern, although difficult decisions and strong, robust financial management will continue to be required.

5 Consultation

5.1 The Council has, for a number of years, undertaken a variety of consultation exercises, using a range of methods, in the preparation of

its annual revenue budget.

- 5.2 A separate report highlighting consultation activity recently undertaken is also on the agenda for consideration at this meeting. The responses to that consultation exercise must be conscientiously taken into account when this decision is taken.

6 Alternative Options Considered

- 6.1 Do nothing – This would be contra to Appendix Seven of the Council's Constitution – Budget and Policy Framework Procedure Rules, which requires that Cabinet must propose a budget by early February to allow the Council, should it so wish, to raise objections and refer the budget proposals back to Cabinet for further consideration, allowing time to finalise precepts before the statutory deadline of 1 March.
- 6.2 Decide that there is a significant risk that the Council will not be in a position to deliver a balanced budget by the end of the current financial year, requiring the S151 Officer to issue a S114 notice – Having regard to the Council's arrangements and the factors as highlighted in this report, the Interim Director of Finance & ICT, as S151 Officer, has concluded that the Council can set a balanced budget for 2023-24 by making substantial use of the Council's reserves, as encouraged to do so by Government in the Provisional Local Government Finance Settlement, and set a balanced budget across the period of the FYFP, provided currently forecast pressures do not further increase, and that the Council remains a going concern, although difficult decisions and strong, robust financial management will continue to be required.
- 6.3 Present alternative budget proposals to achieve a balanced budget - Other options, which would still allow a balanced budget to be set, are available as alternatives to the budget proposals presented. These are the options that have been considered but are not recommended for the following reasons:
- Increasing 2023-24 Council Tax at the maximum permitted 4.99%, exercising the Council's option of levying up to the maximum 2% ASC Precept, in addition to up to the maximum 3% increase in general Council Tax permitted by the 2023-24 Referendum Principles.

This option has been considered because:

- In 2022-23 the Council has the lowest mean average Council Tax paid per household amongst the fourteen shire county councils who provide the same services.
- A 4.99% increase would lock into the Council's base budget additional ongoing funding of around £4.6m each year, over and above the proposed 3.75% total increase.
- It would further recognise and contribute to the Adult Social Care pressures the Council is experiencing, in conjunction with the significant increase in general budget pressures.

This option is not recommended, in order to protect Derbyshire residents from an additional Council Tax increase, in a year when they will already be experiencing significant increases in other household bills, such as for energy and food. By not taking this option it will save Derbyshire households over £23m over the medium term.

The proposed Council Tax increase of 3.75% strikes a balance between the Council's need for additional funding to meet increasing Service Pressures and giving due consideration to the current inflationary pressures faced by Derbyshire residents.

- Providing Departments with full funding for initially identified ongoing services pressures.

This option has been considered because:

- Departments' Senior Management Teams have already invested significant effort in addressing forecast Service Pressures before commencement of the 2023-24 budget setting process and during it, in particular through a number of cost reduction initiatives which are underway in Children's Services. Although these are being used to mitigate overspends and reduce the need for budget growth across the period of the FYFP, there is still identified increasing demand for additional funding to provide vital Council services.

This option is not recommended, as the allocation of this additional funding would mean that Departments would have to find further 2023-24 savings equal to this increased funding because the amount of overall external funding does not change as a result of following this option. Departments would be allocated an additional target saving effectively split pro-rata based on departmental net budgets.

Significant budget savings in respect of demand management and service improvements have already been delivered and are planned to be delivered over the course of the FYFP, in particular from the Adult Social Care and Health Better Lives programme. A significant funding gap remains in the FYFP, where no savings proposals have been brought forward. Departments are already experiencing some difficulty in bringing forward further savings proposals for due consideration, and delivering earlier identified and approved Departmental savings. It is a requirement for Departments to deliver the savings previously identified for the next financial year and this will be a challenge without any further allocations.

Given this situation, it is considered to be better financial management practice for the total amount of Service Pressures awarded to reflect the extent of additional funding forecast to be available within the confines of sound medium term financial planning. In view of this, the Council's Corporate Management Team has invested significant cross-Departmental time and effort to review and reduce Service Pressures. Departments have worked together to assess and revise Service Pressures, thoroughly considering risk, service priorities and need.

Furthermore, it is possible that forecast Locally Retained Business Rates income is higher than assumed. The final position will not be known until 31 January 2023. This could lead to additional one-off funding being received, which would lessen the impact on reserves of any Departmental overspends in 2023-24.

- Alternative allocation of 2023-24 budget savings - Departments would be allocated a target saving effectively split pro-rata based on departmental net budgets. This is the method of allocating budget savings used by the Council up to 2020-21. This option for allocating 2023-24 budget savings is not recommended because in view of the severe pressures being experienced by Children's Services, it is considered to be good financial management to continue the practice of affording significant protection for the Children's Services budget, as in 2021-22 and 2022-23.

7 Implications

- 7.1 Appendix One sets out the relevant implications considered in the preparation of the report.

8 Background Papers

- 8.1 Autumn Statement 2022.
- 8.2 Provisional Local Government Finance Settlement 2023-24 – Department for Levelling Up, Housing and Communities.
- 8.3 Initial budget Equality Impact Assessment.

9 Appendices

- 9.1 Appendix One – Implications.
- 9.2 Appendix Two – Revenue Budget 2023-24.
- 9.3 Appendix Three – Response to Provisional Local Government Finance Settlement 2023-24.
- 9.4 Appendix Four – Council Tax 2023-24.
- 9.5 Appendix Five – Service Pressures 2023-24.
- 9.6 Appendix Six – Budget Savings Proposals 2023-24 to 2027-28.
- 9.7 Appendix Seven – Five Year Financial Plan 2023-24 to 2027-28.
- 9.8 Appendix Eight – Equality Impact Analysis Revenue Budget 2023-24.

10 Recommendations

That Cabinet recommends to Council that it:

- 10.1 Notes the details of the Autumn Statement 2022 and Provisional Local Government Finance Settlement as outlined in sections 4.3 and 4.4.
- 10.2 Notes the Government's expectations about Council Tax levels for 2023-24 in section 4.5.
- 10.3 Approves the precepts as outlined in section 4.5 and Appendix Four.
- 10.4 Approves that billing authorities are informed of Council Tax levels arising from the budget proposals as outlined in section 4.5 and Appendix Four.
- 10.5 Approves the contingency to cover non-standard inflation as outlined in section 4.7. The contingency to be allocated by the Interim Director of

Finance & ICT, as S151 Officer, once non-standard inflation has been agreed.

- 10.6 Approves the service pressure items identified in section 4.8 and Appendix Five.
- 10.7 Approves the level and allocation of budget savings as outlined in section 4.9 and Appendix Six.
- 10.8 Notes the comments of the Interim Director of Finance & ICT, as S151 Officer, about the robustness of the estimates and adequacy of the reserves as outlined in section 4.10.
- 10.9 Notes the details of the Council's consultation activity as outlined in section 5.
- 10.10 Approves the Council Tax requirement of £387,461,515 which is calculated as follows:

10.11

	£
Budget Before Pressures and Budget Reductions	641,217,881
Plus Service Pressures – ongoing	15,894,018
Plus Adult Social Care Precept	4,650,142
Plus Service Pressures - one-off	23,707,000
Less Budget Reductions	-16,190,000
Decrease in Risk Management Budget	5,349,198
Net Budget Requirement	674,628,239
Less Top-Up	-97,773,890
Less Business Rates	-15,365,000
Less Revenue Support Grant	-15,714,332
Less New Homes Bonus	-1,105,736
Less General Grant	-122,996,933
Less PFI Grant	-10,503,833
Less Use of Earmarked Reserves	-23,707,000
Balance to be met from Council Tax	387,461,515

- 10.12 Approves the use of the Revenue Contributions to Capital Expenditure Earmarked Reserve to provide one-off support to the 2023-24 Revenue Budget.
- 10.13 Authorises the Interim Director of Finance & ICT, as S151 Officer, to allocate cash limits amongst Cabinet portfolios; Executive Directors will then report to Cabinet on the revised Service Plans for 2023-24.

11 Reasons for Recommendations

- 11.1 Appendix Seven of the Council's Constitution – Budget and Policy Framework Procedure Rules, requires that Cabinet must propose a budget by early February to allow the Council, should it so wish, to raise objections and refer the budget proposals back to Cabinet for further consideration, allowing time to finalise precepts before the statutory deadline of 1 March.
- 11.2 The Council Plan values commit to spending money wisely, making the best use of the resources that the Council has.
- 11.3 The Council is committed to ensuring good financial management and compliance with applicable laws and regulations. The Council is committed to ensuring that it sets a balanced budget over the medium-term, therefore ensuring good financial management and use of reserve balances to meet the costs of any unforeseeable events.

Report Author:
Eleanor Scriven

Contact details:
eleanor.scriven@derbyshire.gov.uk

Implications

Financial

- 1.1 Considered in the body of the report.

Legal

- 2.1 The Council's Constitution contains Budget and Policy Framework Procedure Rules which must be followed when the Council sets its budget. Cabinet must propose a budget by early February to allow the Council, should it so wish, to raise objections and refer the budget proposals back to Cabinet for further consideration, allowing time to finalise the precepts before 1 March. The Revenue Budget Report was identified and published as a key decision with 28 days' notice.
- 2.2 When setting the budget, the Council must be mindful of the potential impact on service users. The consultation exercises which have been undertaken in the preparation of the 2023-24 budget are relevant in this respect and are detailed in the Budget Consultation Results report that appears earlier in the agenda.
- 2.3 Under section 65 of the Local Government Finance Act 1992, as a major precepting authority, the Council has a statutory duty to consult ratepayer representatives on its annual expenditure proposals, ahead of setting its budget. Certain prescribed information must be sent to the persons the Council proposes to consult as soon as practicable and, in any event, not later than 15 February by virtue of the Non-Domestic Ratepayer (Consultation) Regulations 1992.
- 2.4 The Council also has a statutory duty under the Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness and when determining how to discharge this duty has to consult representatives of a wide range of local persons.
- 2.5 In performing these statutory duties the Council must have regard to statutory guidance issued by the Secretary of State.
- 2.6 Case law has established minimum requirements of consultation, which are:
- Consultation must be at a time when proposals are at a formative stage.
 - Sufficient information must be given to permit a person to "give an intelligent consideration and response".
 - Adequate time must be given for consideration and response.

- 2.7 When considering this report Members must therefore take into account the consultation responses set out in the Budget Consultation Results report earlier on the agenda.
- 2.8 The consultation activities set out in the Budget Consultation Results report meet the necessary legislative and constitutional requirements.
- 2.9 Section 149 of the Equality Act 2010 imposes an obligation on Members to have due regard to protecting and promoting the welfare and interests of persons who share a relevant protected characteristic (age; disability; gender re-assignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex and sexual orientation).
- 2.10 A high-level equality analysis has been carried out and is included at Appendix Eight. Even though this is a high-level analysis and, as noted below, there will be detailed analyses undertaken for specific service reductions, it is still essential that Members read and consider the analysis to be provided alongside this report. It will be noted that the analysis identifies a number of potential areas of detriment and Members are asked to pay careful regard to this in considering the recommendations made in this report. Once the budget has been set and as spending decisions are made, service by service, and as policies are developed within the constraints of the budgetary framework, proposals will be further considered by Members and will be subject to an appropriate and proportionate assessment of any equality implications as well as consultation, including consultation on a range of options, where appropriate.

Human Resources

- 3.1 The actual scale and detailed composition of any workforce implications arising from business savings plans will not become clear until the necessary consultations are concluded, and final decisions are made on individual savings proposals. It is, however, evident that given the level of budget savings identified the scale of workforce re-alignment will be significant. The Council will seek to mitigate the impact of the proposed budget reductions on the Council's workforce through the continued use of workforce plans and measures such as vacancy control, redeployment, voluntary release, etc. where necessary.

- 3.2 The Council has a statutory responsibility to consult with the recognised trade unions when potential redundancy situations arise. The Council will make every effort to avoid compulsory redundancies and to seek alternative employment in line with the provisions set out in the Council's redundancy and redeployment policy.

Information Technology

- 4.1 None

Equalities Impact

- 5.1 An initial Equality Analysis has been carried out in relation to the Council's proposed Revenue Budget Report 2023-24. This outlines the overall likely impacts upon the different protected characteristic groups and is based on those areas which have been identified for savings. It also reflects upon the ongoing work to develop cumulative impact analysis and to consider the linkages between the Council's budget savings and those being made elsewhere in Government and by public sector partners.
- 5.2 Increasingly budget savings are resulting in reductions or changes to frontline services, which directly affect the people of Derbyshire. In particular, they are likely to pose a potential adverse impact for some older people, disabled people, children and younger people and families. In part this is because many of the Council's services are targeted at these groups and these services command the largest parts of the Council's budget. At the same time, other national and local changes are also likely to continue to affect these groups in particular. As indicated above, an initial budget Equality Analysis has been carried out and a copy is included at Appendix Eight. Members are asked to read this analysis carefully. As explained above, this assessment helps identify areas where there is a significant risk of adverse impact which would then be subject to a full equality impact assessment process prior to Cabinet decisions on individual services.

Corporate objectives and priorities for change

- 6.1 The Council Plan values commit to spending money wisely, making the best use of the resources that the Council has.
- 6.2 The Council is committed to ensuring good financial management and compliance with applicable laws and regulations. The Council is committed to ensuring that it sets a balanced budget over the medium-term, therefore ensuring good financial management and using reserves balances to meet the costs of any unforeseeable events.

Appendix One

**Other (for example, Health and Safety, Environmental Sustainability,
Property and Asset Management, Risk Management and Safeguarding)**

7.1 None

REVENUE BUDGET 2023-24

SERVICE	Adjusted Base £	Funding Changes £	Adjusted Base after Funding Changes £	Pay and		Ongoing Pressures £	Adult Social Care Precept	Budget Savings Target £	Base Budget Ongoing £	One off Pressures £	Budget 2023-24 £
				Price Inflation £	Base Plus Inflation £						
Adult Social Care and Health	273,364,564	0	273,364,564	0	273,364,564	9,895,151	4,650,142	-12,139,000	275,770,857	2,306,000	278,076,857
Children's Services	147,507,181	0	147,507,181	0	147,507,181	0	0	-500,000	147,007,181	1,844,000	148,851,181
Place	86,874,572	0	86,874,572	0	86,874,572	4,090,000	0	-1,200,000	89,764,572	3,661,000	93,425,572
Corporate Services and Transformation	68,169,541	-1,417,000	66,752,541	0	66,752,541	1,908,867	0	-625,000	68,036,408	3,252,000	71,288,408
Service Totals	575,915,858	-1,417,000	574,498,858	0	574,498,858	15,894,018	4,650,142	-14,464,000	580,579,018	11,063,000	591,642,018
Plus Contingency	0	0	0	37,984,263	37,984,263	0	0	-1,726,000	36,258,263	12,644,000	48,902,263
Plus External Debt Charges	38,621,958	0	38,621,958	0	38,621,958	0	0	0	38,621,958	0	38,621,958
Plus Risk Management Budget	-5,349,198	0	-5,349,198	0	-5,349,198	5,349,198	0	0	0	0	0
Less Interest Receipts	-4,538,000	0	-4,538,000	0	-4,538,000	0	0	0	-4,538,000	0	-4,538,000
Net Budget Requirement	604,650,618	-1,417,000	603,233,618	37,984,263	641,217,881	21,243,216	4,650,142	-16,190,000	650,921,239	23,707,000	674,628,239
FUNDED BY:											
Council Tax	369,811,895	17,649,620	387,461,515	0	387,461,515	0	0	0	387,461,515	0	387,461,515
Top Up	94,891,733	2,882,157	97,773,890	0	97,773,890	0	0	0	97,773,890	0	97,773,890
Business Rates	14,722,479	642,521	15,365,000	0	15,365,000	0	0	0	15,365,000	0	15,365,000
Revenue Support Grant	14,231,306	1,483,026	15,714,332	0	15,714,332	0	0	0	15,714,332	0	15,714,332
New Homes Bonus	1,868,167	-762,431	1,105,736	0	1,105,736	0	0	0	1,105,736	0	1,105,736
General Grant	98,621,205	24,375,728	122,996,933	0	122,996,933	0	0	0	122,996,933	0	122,996,933
PFI Grant	10,503,833	0	10,503,833	0	10,503,833	0	0	0	10,503,833	0	10,503,833
Use of Earmarked Reserve	0	0	0	0	0	0	0	0	0	23,707,000	23,707,000
	604,650,618	46,270,621	650,921,239	0	650,921,239	0	0	0	650,921,239	23,707,000	674,628,239

RESPONSE TO PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2023-24



Paul Stone
Interim Director of Finance & ICT
County Hall
Matlock
Derbyshire DE4 3AH

Local Government Finance Settlement Team
Department for Levelling Up, Housing and Communities
2nd floor, Fry Building
2 Marsham Street
LONDON, SW1P 4DF

Ask for: Eleanor Scriven
Our ref: ES
Date: 16 January 2023

Dear Sir/Madam

Provisional Local Government Finance Settlement 2023-24

The Council welcomes the opportunity to respond to the Provisional Local Government Finance Settlement 2023-24, details of which were published on 19 December 2022. The Council has responded to the formal consultation questions and these are set out later in this letter. However, the Council will take the opportunity to highlight details of the financial pressures it is currently facing, particularly in respect of social care, as well as commenting on the Fair Funding Review – details of which are set out in the following pages.

Fair Funding

A transparent, fair funding system is urgently required, which reflects need and ability to fund services locally. The Council is pleased that Government continues to recognise that the mechanism for allocating mainstream funding to local authorities is in need of revision, to ensure that the costs of providing services, particularly in respect of social care, are accurately reflected in the distribution methodology. However, the Council is disappointed that Government has now confirmed that the Fair Funding Review and the Business Rates reset will not be implemented in this Spending Review period.

The proposed Local Government Finance Settlement for 2023-24 includes around £3.1bn additional grant funding to be allocated in 2023-24, for social care and other services, and assumed that local authorities will raise £1.9bn additional Council Tax revenue through use of the Council Tax flexibility afforded to the sector. This represents an average 9.2% increase in local government core spending power to help councils deal with inflationary and

other cost pressures in 2023-24, assuming councils use their option to raise more Council Tax using additional Council Tax flexibilities.

Although Government assumes that every local authority will raise their Council Tax by the maximum permitted without a referendum, this leaves councils facing tough choices about whether to increase Council Tax bills to bring in desperately needed funding at a time when they are acutely aware of the significant additional burden that is likely to place on households during the current cost of living crisis.

However, even with this additional funding, the Council still faces significant challenges in setting its budget and trying to protect services. Underlying existing pressures remain and there remains a substantial funding gap between the cost of service demand and the resources available.

Social Care Costs

Adult Social Care

Demographic growth continues to affect Adult Social Care costs. Growth predictions show that the Council is subject to approximate annual increases of £3m in relation to older people demography, with a further £2m for children transitioning to adulthood. These additional costs of £5-6m each year are predicted to continue for at least the next five years.

During the last few years, the National Living Wage has increased annually by between 2% and 10%. For 2023-24, the increase will be 9.7%. This directly impacts on the contract fees the Council pays to care providers. If this level of increase is to continue it will cost the Council up to an additional £23m each year for at least the next five years.

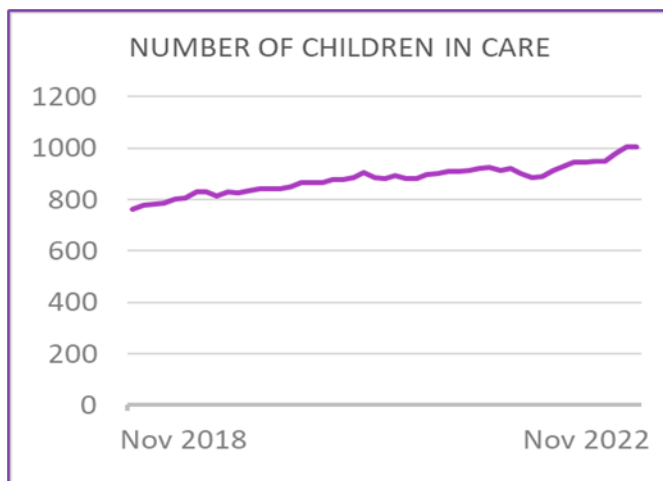
There are growing pressures around hospital discharge from the NHS, with an increase in demand, and because there is an insufficient supply of home care and reablement services, this has driven increased placements into residential homes rather than into care at home, with the risk of associated long term cost implications for the likely significant number of individuals who are not able to regain their independence and return home.

Children's Social Care

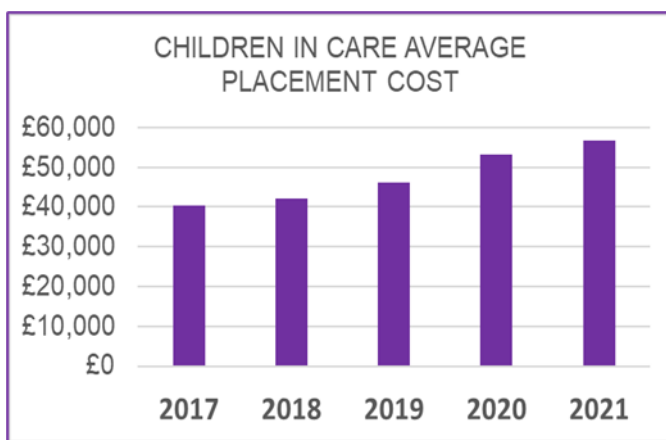
As an upper tier authority, the Council is responsible for providing children's social care services. These services include child protection and safeguarding, care for looked after children and aftercare, support for vulnerable children and their families.

Nationally the number of children in care has risen significantly over the past decade creating unprecedented demand pressures on children's services. The national picture is being reflected in Derbyshire.

As at 30 November 2022 there were 1,004 children in the care of the Council, a 32% increase on the number four years ago, as shown in the chart below.



The costs of caring for looked after children have also been rising, as shown in the chart below.



Average placement costs for children in the Council's care have risen 40% over the last four years.

Residential care is the most expensive form of care. Locally and nationally, the proportion of children in residential care has increased, largely due to councils struggling to source suitable alternatives such as foster care.

These pressures, exacerbated by the impact of high inflation and cost of living increases on placement costs, are expected to continue to grow for the foreseeable future. The Council, along with many other local authorities in the country, continues to express concern regarding substantial increases in the cost of children's social care, urging Government to provide additional funding for the service.

Funding

For 2023-24, Improved Better Care Fund (iBCF) funding for adult social care authorities, which has to be included within Better Care Funding plans, is being maintained at the same level as in 2022-23 in cash terms (£2.14bn), with the distribution unchanged. Social Care Grant funding for adult and children's social care services is being increased to £3.85bn in 2023-24, from £2.35bn in 2022-23. In 2023-24 the grant includes £1.27bn of funding due to delaying the rollout of adult social care charging reform.

The Council is pleased that Government will provide extra funding for social care and has accepted the need for funding allocated towards reforms to still be available to address inflationary pressures for councils and social care providers. This will help tackle the most immediate budget pressures.

It is imperative that this level of funding for social care continues over the medium term to support the financial sustainability of social care services. Without this level of funding, services will be at breaking point. The Council has adopted innovative solutions to the delivery of adult social care services across the county which will realise significant savings over the medium-term. However, the Covid-19 pandemic resulted in delays to the programme. Even with the planned level of savings being achieved, there is still rising demand for services. A number of cost reduction initiatives are also underway in respect of children's social care services; however, these are being used to mitigate overspends and reduce the need for budget growth.

Local authorities have risen to the challenge of austerity since 2010, albeit supported in recent years by the Improved Better Care Fund and Social Care Grant, and the Council has stepped up to that challenge with its Enterprising Council approach. The Council continues to review the way it delivers its services, ensuring residents receive value for money in the services which are provided to them.

The option of implementing the Adult Social Care Precept has provided local authorities with much needed additional Council Tax income to support the funding of associated services. The Council is committed to keeping Council Tax increases as low as possible and whilst the Council recognises that increases in Council Tax bills for many will be difficult, local authorities should continue to be afforded the option of implementing the Precept. However, variable amounts of income can be generated in different parts of the country, unrelated to need, which should be addressed as part of the Government's Funding Review.

Schools and Learning

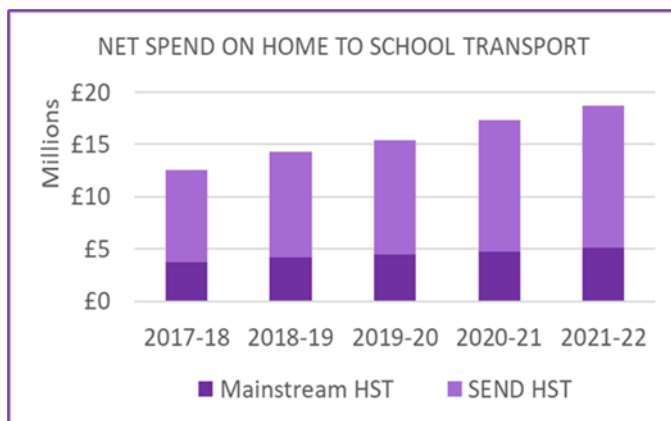
Whilst expenditure on school-related activity would normally be expected to be met from within the allocated DSG, there are some school based pressures which could fall to the Council's General Reserve to fund, details of which are set out below.

The Council's accumulated DSG deficit was £5.050m at 31 March 2022. The DSG deficit will need to be recovered from future DSG income, although it has been announced that the statutory override for the accounting treatment of DSG positions will be extended for the next three years, from 2023-24 to 2025-26. The override had been due to expire at the end of March 2023. The main pressures for the Council, as with most local authorities, continues to be in respect of High Needs Block budgets. The December 2022 DSG announcement provides for an increase in High Needs funding of £11m (11%) for the Council, however it is likely that further demand and inflation pressures may still result in spend exceeding income in 2023-24.

Deficit balances that exist at the point a school becomes an academy may be left with the Council to fund. This is the case for 'sponsored' academies. Sponsored academies are those where conversion is a result of intervention, or where the school is likely to underperform without the aid of a sponsor.

There are some statutory duties relating to education which are funded from the Council's revenue funding. These include home to school transport (HST).

Transport cost increases and growing numbers of pupils eligible for Council-funded transport have led to significant increases in spend on HST, in particular HST provided for children with special educational needs and disabilities (SEND), as shown in the chart below.



Net costs have risen by 48% in the last four years and this trend is expected to continue.

Pay

The Council would welcome Government support for local authorities in the 2023-24 Settlement, or if that is not possible, in future settlements, to address the serious issue of substantial and increasing pay award pressures, in a period where the rate of inflation has been rising and has reached its highest level for many years. Additional funding would assist the Council in its recruitment and retention of staff, which is becoming increasingly difficult at this key time for local authorities, when services are competing with rising demand, as well as capacity issues across the sector.

Public Health Grant and Adult Social Care Grants

It is disappointing that the Public Health Grant allocations have not been published alongside the Provisional Settlement, nor have the grant conditions in respect of the Adult Social Care Hospital Discharge Grant and the Market Sustainability and Improvement Fund Grant. Public Health Grant allocations should be published as soon as possible, so councils know how much they can budget for essential services to help keep people throughout their lives. Without the grant conditions in respect of these Adult Social Care Grants it is impossible to properly plan how they might be used to support the Council's budget pressures during budget setting.

Multi-Year Financial Settlement

A multi-year settlement provides local authorities with some certainty, supporting medium-term financial planning and financial sustainability. The Provisional Settlement provides provisional allocations for one year, although for key grants there are some indicative allocations of the quantum of funding in the Autumn Statement and Provisional Settlement for 2024-25. It is disappointing that the Provisional Settlement has failed to announce a true multi-year settlement, as it constricts the flexibility of local authorities to balance budgets across the medium term. The local government sector has implored Government for a multi-year settlement. The Secretary of State for Levelling Up, Housing and Communities announced on 28 June 2022 that there would be a two-year funding settlement from 2023-24. However, despite the signals, 2023-24 will be the fifth continuous single-year settlement.

Conclusion

Government should provide clarity on which of the delayed local government funding reforms will happen and when.

A renewed commitment and timeframe for the implementation of a Fair Funding Review is needed to ensure that historic resource equalisation flaws in the current funding methodology are addressed.

As well as looking at the formulae used to distribute funding, Government should also look at the data on which funding is based. The Council encourages Government to continue to work with local government to understand changing service demands and revenue-raising ability, to ensure overall local government funding is sufficient when any funding distribution changes are introduced. It should then revisit the priorities for reform of the local government finance system.

Whilst expected but delayed future funding reforms make it difficult for Government to set out a multi-year settlement for local government, this is the fifth single-year settlement in a row for councils, which continues to hamper financial planning and their financial sustainability. Only with adequate long-term resources, certainty and freedoms, can councils deliver world-class local services for our communities, tackle the climate emergency, and level up all parts of the country.

Question 1: Do you agree with the Government's proposed methodology for the distribution of Revenue Support Grant in 2023-24?

Whilst the Council welcomes the Consumer Price Index (CPI) increase in the Revenue Support Grant (RSG), it is disappointed that this is at the expense of the Services Grant, which is set to reduce in 2023-24. The Council agrees with the proposed methodology for RSG as this provides local authorities with the certainty required for 2023-24 to facilitate the setting of budgets within the prescribed timeframes.

However, the Council requests that the Government publishes its Provisional Settlement in future in early December, in line with its commitment in the 2018 Hudson Review. So far the Government has yet to achieve this commitment. Whilst the Government's publication of its Policy Statement on 12 December 2022 removed some funding uncertainty, it did not contain the detail of allocations needed for budget setting purposes. This was not provided until 19 December 2022. All grant allocations, along with any associated conditions, should also be published alongside the Provisional Settlement, so that the amount of funding available and permitted use is known at the time of budget setting.

Question 2: Do you agree with the Government's proposals to roll grants into the Local Government Finance Settlement in 2023-24?

The Council agrees with the Government's proposals to roll the four grants, of which the Council receives two (the Independent Living Fund grant and the Food Safety and Standards Enforcement grant), into core funding. These grants are sufficiently small that this is an understandable decision. However, the Government should commit to protecting the future Settlement Funding Assessment (SFA), otherwise any cut to SFA would in effect be a cut to these grants too.

Question 3: Do you agree with the proposed package of Council Tax Referendum Principles for 2023-24?

The Council is pleased to see that the Government has again recognised the cost pressures associated with delivering adult social care and other council services, by allowing local authorities with adult social care responsibilities to raise up to an additional 2% Council Tax to support adult social care service pressures, and by up to 3% in support of general spending. The option of implementing the Adult Social Care Precept (ASC Precept) has provided local authorities with much needed additional Council Tax income to support the funding of associated services. The Government has also allocated around £3.1bn additional grant funding in 2023-24, for social care and other services and this is also welcome.

The Council is committed to keeping Council Tax increases as low as possible and whilst the Council recognises that increases in Council Tax bills for many will be difficult, local authorities should continue to be afforded the option of

implementing the ASC Precept. It is understandable that Government relies on Council Tax increases to part-fund local authorities' increasing pressures. Council Tax collection rates are higher than other forms of taxation and have proven resilient, even during the pandemic. However, the current Council Tax funding system is unfair for local authorities. Variable amounts of income can be generated in different parts of the country, unrelated to need, which should be addressed as part of a Government Funding Review.

The Council welcomes the publication of the Referendum Principles alongside the Provisional Settlement. However, the Council has long argued that Council Tax increases should be at the discretion of local authorities, as they are best placed to understand and set their own levels of local taxation, whilst ensuring that the local taxpayer is not burdened with excessive increases. Therefore, the Council does not agree with the principles of Council Tax referendums.

Question 4: Do you agree with the Government's proposals for a new Funding Guarantee?

As a council with adult social care responsibilities, the funding guarantee does not apply to the Council, but in recognition that all local authorities face inflationary pressures, a percentage funding guarantee does make sense. However, the Council is concerned that the guarantee is somewhat arbitrary, as it does not take account of income from increased Council Tax, or actually retained business rates income (which can vary significantly from baseline funding levels), nor does it take account of non-settlement income.

Question 5: Do you agree with the Government's proposals on funding for social care as part of the Local Government Finance Settlement in 2023-24?

The Council welcomes the Government's decision to again provide additional funding for social care and to increase that funding. The pressures on social care cannot be understated. The pressures of an ageing population, workforce retention and inflation remain. Concerns also remain around delayed charging reform. Fundamental solutions are required to support the social care sector.

The Council reiterates the point made earlier in this response that this additional funding fails to address the full cost pressures faced by local authorities and therefore it is imperative that a Fair Funding review is given priority to address the cost pressures associated with the delivery of social care. Whilst the

Council supports the distribution of the Social Care Grant for 2023-24 via the existing Adult Social Care Relative Needs Formula, future allocations following a Fair Funding review should be based, subject to consultation, upon an updated relative needs formula.

The Council also notes that whilst some adult social care reforms have been delayed, the Department of Health and Social Care (DHSC) is still progressing with both the Fair Cost of Care (FCOC) and Care Quality Commission (CQC) reviews. There is significant confusion within the provider sector regarding the need and ability to pay the FCOC and the lack of clarity from Government is leading some local authorities to experience greater cost pressure risks than the additional grant announced. Whilst local authorities understand that they have the responsibility to maintain an effective market, FCOC seems to be setting regional prices. These are not the same thing and the Council requests Government to provide greater clarity as soon as possible.

Regarding Council Tax equalisation, the Council would like to raise that there seems to be just enough equalisation to support those authorities with lower Council Tax, such as the Council, but not enough to recognise the slightly lower Council Tax raising ability of shire counties compared with single-tier authorities.

Question 6: Do you agree with the Government's proposals for New Homes Bonus in 2023-24?

The New Homes Bonus Scheme (NHB) was intended to encourage local authorities to grant planning permission for the building of new houses and then for them to then share in the additional revenue generated. Although the Government's aim was for authorities to utilise the funding to invest in local infrastructure to support further housing growth, it has yet to be demonstrated whether the NHB has had the Government's planned incentive effect and has resulted in significant behavioural change. The reality is that local authorities have, in general, used the funding to support the overall council budget, to mitigate funding reductions since 2010.

Although the Government's intention was for a reform of the system to be implemented for 2022-23, this has not happened. The method for calculating NHB is the same as in 2022-23. However, in 2023-24 the NHB grant no longer contains any legacy payments but does continue to include single year payments. The 2023-24 payment for local authorities, of £291m, is £263m less than in 2022-23, and the Council's allocation has correspondingly reduced.

The allocations tend to favour councils with lower tier responsibilities, not shire counties like the Council. The Council fully understands the need for more housing and could be supportive of an incentive scheme which fully recognises the costs of developments rather than one which lower tier service providers have become reliant upon to support their general day-to-day spending.

Authorities providing upper tier services face substantial costs when new housing developments are built (including new roads and new schools) but this is not appropriately reflected in the current system.

The Council welcomes the Government's ultimate intention and commitment to reforming the NHB and looks forward to reviewing the delayed consultation document on the future of the NHB, including options for reform. Councils need clarity on the future of the NHB to be able to plan their budgets beyond next year and into the medium-term. It could be argued that the operation and funding of the bonus removes funding from those with high needs and distributes that funding to lower tier service providers, which arguably have fewer pressures on their budgets. At a time when funding constraints remain in local government, the Council would like to see the Government consider whether this funding could be more appropriately directed to address well publicised pressures in adults' and children's services, including SEND provision in schools. Looking ahead to a future fair funding review, an option to remove the bonus altogether should be considered a viable approach, provided the funding is retained within the settlement.

Question 7: Do you agree with the Government's proposals for Rural Services Delivery Grant in 2023-24?

The Council welcomes the decision to provide funding for the additional costs of delivering services in rural areas, pending further consideration in a Fair Funding review, in continued recognition that authorities in rural areas face costs not covered by the current funding arrangements.

However, the Council does not believe that the current distribution methodology treats all areas fairly.

It is unfair to continue to exclude county councils where constituent districts receive this funding, as they face budgetary pressure resulting from their rurality, for instance in the service areas of social care and passenger transport, which are both upper tier responsibilities.

The Council requests that Government takes better account of rurality for all affected local authorities in order to make this funding fairer.

Question 8: Do you agree with the Government's proposals for Services Grant in 2023-24?

On its introduction in 2022-23, the Services Grant was intended to support the delivery of all local authorities' services. It was expected that this funding would

be used to aid the transition to a new funding formula. It will continue in 2023-24 but with funding reduced, in part because it included funding for local government costs arising as a result of the Social Care Reform increase in employer National Insurance Contributions, which was introduced but has now been reversed. In 2023-24 it has also been reduced to pay for the real-terms protection of RSG. The funding is distributed through the existing formula for assessed relative need.

The Council agrees with Government's proposals for distributing the funding through the existing formula for assessed relative need in 2023-24, as this provides local authorities with the certainty required for 2023-24 to facilitate the setting of budgets within the prescribed timeframes.

However, in its current form, the Services Grant represents settlement funding that the Council cannot rely on in the future, which increases uncertainty in respect of medium-term financial planning. The Government should ensure that it fulfils its original intention to work closely with local authorities to decide how to best use this money in future.

Question 9: Do you have any comments on the impact of the proposals for the 2023-24 settlement outlined in this consultation document on the aims outlined above? Please provide evidence to support your comments.

Council Tax Equalities

The Council has long argued that there is disparity across the country in terms of a local authority's ability to raise Council Tax. Whilst the additional flexibility afforded to local authorities in recent years has been welcomed, in respect of increasing the Council Tax referendum threshold for general increases, and permitting all authorities responsible for Adult Social Care the ability to levy up to an additional specified increase through the ASC Precept, variable amounts of income can be generated in different parts of the country. The Council would expect this inequality to be addressed as part of a Fair Funding review. A renewed commitment and timeframe for implementation of a Fair Funding review is needed to ensure that the historic resource equalisation flaws in the current funding methodology are addressed.

Reserves

Whilst the Council acknowledges the Government's concern with regard to the seemingly 'high level' of reserves which some local authorities hold, the Government should understand that in uncertain times more reserves are

required to mitigate risks, not less. The Government must not attempt to force local reserves down to an unsustainable level. Government should ensure that its view on the level of local authorities' reserves is not influenced by high levels of unusable reserves, which are not available to support expenditure. Section 151 officers are required to report on the adequacy of the proposed financial reserves and have a legal duty to ensure that reserves positions are sustainable. Running down reserves in the current uncertain climate is not appropriate.

Multi-Year Settlements

The Council implores Government to provide local government with the greater funding certainty it requires over the medium term, at the earliest opportunity. Multi-year settlement allocations, not just funding totals, are important in determining the long-term sustainability of the services provided by local authorities. A multi-year settlement would provide better information on which to make financial sustainability decisions around reductions in spending and whether it is possible to continue with discretionary services.

Fundamental Reform

As set out earlier in this response, the Council is disappointed by the lack of a review of relative needs and resources and requests that this should be addressed as a matter of urgency.

Yours faithfully

Paul Stone
Interim Director of Finance & ICT (S151 Officer)

COUNCIL TAX

Final 2022-23 Collection Fund Deficit, Precept Amounts and Net Budget Requirement

In the Council Revenue Budget Report 2022-23, the Council Tax collection fund surplus for 2022-23 was estimated at £3.437m, although this figure was not final. Billing authorities had until 31 January 2022 to confirm in writing their final collection fund estimates; the latest provisional figures were included. A verbal update was provided at the Council Meeting with the final figures below:

	2022-23		
	2021-22	2021-22 spread to 2022-23	Total 2022-23
	£	£	£
Amber Valley	-143,363	-158,544	1,051,875
Bolsover	-453,380	-232,448	356,855
Chesterfield	-191,318	-162,556	438,013
Derbyshire Dales	-397,997	-46,653	-56,431
Erewash	488,674	0	-329,328
High Peak	-464,615	-160,626	918,796
North East Derbyshire	6,208	-106,278	591,048
South Derbyshire	880,948	-173,987	1,631,159
	-274,843	-1,041,092	4,601,987
			3,560,895

	Amount Collected	Collection Fund Surplus/ (Deficit)	Amount Actually Due
	£	£	£
Amber Valley	57,419,808	893,331	58,313,139
Bolsover	31,971,737	124,407	32,096,144
Chesterfield	42,534,639	275,457	42,810,096
Derbyshire Dales	43,505,162	-103,084	43,402,078
Erewash	48,187,686	-329,328	47,858,358
High Peak	44,648,512	758,170	45,406,682
North East Derbyshire	45,699,310	484,770	46,184,080
South Derbyshire	52,284,146	1,457,172	53,741,318
	366,251,000	3,560,895	369,811,895

Appendix Four

This finalisation of the Council Tax collection fund deficit changed the Council's Net Budget Requirement for 2022-23 as follows:

	Net Budget Requirement 2022-23 £
Revenue Budget Report 2022-23	618,457,071
Balance to be met from Council Tax	
Collection Fund Finalisation – Amber Valley (Increase in surplus from £769,109 estimate to £893,331 final)	+124,222
Final	618,581,293

Taxbase

	Equivalent Band D Properties 2022-23	Equivalent Band D Properties 2023-24	Change %
Amber Valley	40,307.09	41,085.91	1.93%
Bolsover	22,443.26	22,900.72	2.04%
Chesterfield	29,858.12	30,222.43	1.22%
Derbyshire Dales	30,539.40	30,662.53	0.40%
Erewash	33,826.40	34,613.00	2.33%
High Peak	31,342.00	31,390.00	0.15%
North East Derbyshire	32,079.63	32,603.64	1.63%
South Derbyshire	36,702.00	37,663.00	2.62%
	257,097.90	261,141.23	1.57%

The taxbase positions above are final. Billing authorities have until 31 January 2023 to confirm in writing their final taxbase position.

Collection Fund

		2023-24		
	2022-23	2021-22 spread to 2023-24	2023-24	Total 2023-24
	£	£	£	£
Amber Valley	893,331	-158,544	1,371,388	1,212,844
Bolsover	124,407	-232,448	349,258	116,810
Chesterfield	275,457	-162,556	399,738	237,182
Derbyshire Dales	-103,084	-46,653	-453,552	-500,205
Erewash	-329,328	0	-808,517	-808,517
High Peak	758,170	-160,626	659,403	498,777
North East Derbyshire	484,770	-106,278	485,383	379,105
South Derbyshire	1,457,172	-173,987	537,991	364,004
	3,560,895	-1,041,092	2,541,092	1,500,000

The total Council Tax collection fund surplus for 2023-24 is estimated at £1.500m, based on provisional information received to date from billing authorities and an estimate in respect of Chesterfield, including £1.041m of deficit carried forward from 2021-22 budget setting. Billing authorities have until 31 January 2023 to confirm in writing their final collection fund estimates.

Council Tax Amounts

Band	2022-23	2023-24	General	ASC	Total	Number of
	£	£	Increase	Increase	Increase	Properties
			£	£	£	
A	949.71	985.32	23.74	11.87	35.61	136,730
B	1107.99	1149.54	27.70	13.85	41.55	85,390
C	1266.28	1313.76	31.65	15.83	47.48	63,430
D	1424.56	1477.98	35.61	17.81	53.42	42,670
E	1741.13	1806.42	43.52	21.77	65.29	26,610
F	2057.70	2134.86	51.43	25.73	77.16	13,030
G	2374.27	2463.30	59.35	29.68	89.03	7,220
H	2849.12	2955.96	71.22	35.62	106.84	570
						375,650

Precept Amounts

	Amount	Collection	Amount
	Collected	Fund	Actually
	£	Surplus/	Due
		(Deficit)	£
Amber Valley	60,724,153	1,212,844	61,936,997
Bolsover	33,846,806	116,810	33,963,616
Chesterfield	44,668,147	237,182	44,905,329
Derbyshire Dales	45,318,606	-500,205	44,818,401
Erewash	51,157,322	-808,517	50,348,805
High Peak	46,393,792	498,777	46,892,569
North East Derbyshire	48,187,528	379,105	48,566,633
South Derbyshire	55,665,161	364,004	56,029,165
	385,961,515	1,500,000	387,461,515

The Precept amounts above are provisional and include an estimate of the collection fund position in respect of Chesterfield. Billing authorities have until 31 January 2023 to confirm in writing their final taxbase and collection fund estimates.

SERVICE PRESSURES

Adult Social Care and Health – Total - £14,545,293 ongoing, £2,306,000 one-off, £22,830,000 inflation ongoing contingency, £673,000 inflation one-off contingency

Demographic Growth - £5,711,000 ongoing

Demographic growth pressures remain in Adult Care due to a number of factors including an increase in the 65+ population, more disabled adults accessing services, an increase in the complexity of cases and the increasingly complex needs of young people transitioning from children's services to adult care.

Home First – new hospital discharge arrangements - £5,000,000 ongoing

Changes introduced to facilitate rapid hospital discharge have increased activity and spend in Adult Care. Previously funded by Government, this funding ceased on 31 March 2022. New hospital discharge grant funding for 2023-24 has since been announced but the grant conditions have yet to be published. It is possible that the funding may mitigate some of this pressure.

Independent Living Fund (ILF) - £2,534,293 ongoing

In 2015 local authorities in England became responsible for supporting clients previously supported through the ILF. The Government originally committed to providing funding until 2019-20. One-off grant support was then provided by Government at the same cash level from 2020-21 to 2022-23. The Provisional Settlement for 2023-24 announced that this ring-fenced grant is being rolled up into the Social Care Grant from 2023-24, at the same cash level. The Council is providing additional ongoing funding of £2,534,293 to the Adult Social Care and Health base budget to reflect the roll up of this grant.

Invest to Save Costs - £1,175,000 ongoing

This reflects additional project, professional and technical resources to deliver transformation including a proposed revised co-funding policy, increasing the uptake of direct payments to promote choice and control, implementation of new on-line tools for the self-assessment of needs and financial assessments, and commissioning reviews. The amount requested reduces in future years of the medium-term financial plan reflecting delivery of projects.

MOSAIC revised hosting arrangements - £125,000 ongoing

Additional contract costs of the core case management system for Adult and Children's Social Care. This reflects revised hosting arrangements. A further pressure of £375,000 is also built into the 2024-25 budget to reflect the full year contract variation.

Derbyshire Discretionary Fund (DDF) - £2,006,000 one-off

The DDF is a financial assistance scheme to residents of Derbyshire who meet eligibility criteria. The scheme has catered for significant additional demand using time-limited Covid-19 funds including the Household Support Fund. A review of the scheme is being undertaken with a view to aligning the level of assistance to the original base budget. The recently announced extension of the Household Support Fund into 2023-24 may mitigate some of this pressure but the Council's allocation has yet to be announced.

Social Care Reform - £300,000 one-off

The charging aspect of Social Care Reform has been deferred. However some aspects of the system reform are continuing and will require one-off financial resources to implement including readiness and preparation for the Adult Care new inspection regime.

Inflation - Contract Fees paid to Care Providers - £22,830,000 inflation ongoing contingency

There is an annual process to determine the inflation uplift payable to independent sector care providers. The calculation is based on an existing fee model with the key factors being the increase in the National Living Wage (9.7% for 2023-24) and the impact of average earnings growth and CPI across other non-care wages and running costs (estimated at 9% for 2023-24).

Inflation - Transport and Catering Supplies - £673,000 inflation one-off contingency

This reflects the additional inflation pressure associated with transport and catering contracts for directly provided care settings.

Children's Services – Total - £1,844,000 one-off, £3,903,263 inflation ongoing contingency

Special Needs (SEND) Home to School Transport - £1,084,000 one-off

The number of children with SEND support is increasing year on year, leading to growth in the number of children eligible for Special Needs Home to School Transport.

Social Workers - £400,000 one-off

To fully fund the frontline social work structure and the market supplement, without the need to hold a level of vacancies which would be counter-productive in meeting the statutory demands to help, protect and care for children in Derbyshire. The market supplement payment for social workers in frontline children's social work teams was introduced in July 2019 to support the Council's recruitment strategy. A review has commenced to consider a future resolution to the impact of pay on recruitment and retention of social workers.

Elective Home Education - £360,000 one-off

Since the pandemic, nationally and locally there has been a large increase in the number of Electively Home Educated (EHE) children. Funding to extend the EHE team to meet statutory functions to manage applications, determine whether there are any safeguarding risks and assess whether their education is suitable.

Inflation - Home to School Transport - £1,811,000 inflation ongoing contingency

To fund the rising cost of bus and taxi contracts as a result of fuel price increases and other changes within the transport market.

Inflation - Children's Social Care - £2,092,263 inflation ongoing contingency

To fund inflationary uplifts in allowances paid to carers, placement fees and other support services. Additional one-off support will be provided in-year if required.

Corporate Services and Transformation – Total – £1,908,867 ongoing, £3,252,000 one-off, £5,663,000 inflation one-off contingency

Legal Services – Staffing Budget Deficit – £952,000 ongoing

To ensure the Legal Services salaries budget meets the costs of the current structure.

Legal Services – Child Protection – £850,000 ongoing

Jointly endorsed pressure by Legal Services and Children's Services to secure funding to cover the budget deficit for children in care proceedings.

Organisation, Development and Policy – Leadership Development Programme - £300,000 one-off

The funding will enable the second year of the Council's leadership development programme. This programme will enable and upskill our leaders to understand their role in leading their teams within a high-performance culture and support the facilitation of cultural transformation across the Council.

Organisation, Development and Policy - Business Partnering Hub and Spoke Transformation Model - £180,000 one-off

Aligned to the creation of the new Transformation and Strategy Division, this funding will enable the training for employees in Prince2, MSP and MoP to equip them with the right skills to ensure the Council delivers projects efficiently and successfully.

Organisation, Development and Policy - Vision Derbyshire annual contribution - £87,000 ongoing

The funding is to support the ongoing implementation of the Vision Derbyshire approach in particular the funding of the programme team.

Food Safety Enforcement - £19,867 ongoing

The Provisional Settlement for 2023-24 announced that this grant is being rolled up into the Revenue Support Grant from 2023-24, at the same cash level. The Council is providing additional ongoing funding of £19,867 to the Corporate Services and Transformation base budget to reflect the roll up of this grant.

Corporate Property – Disposal Professional Fees - £446,000 one-off

To instruct property agents and solicitors required to deliver capital receipts for the forecasted five-year Disposal Programme, a plan to deliver revenue budget savings through the rationalisation of the Council's property assets which may involve selling or relinquishing leases of those assets. Additional resource to support with tracking, reporting and general technical responsibilities to ensure retained professionals can focus on value added opportunities.

Corporate Property – Demolition Budget - £550,000 one-off

To replenish the Corporate Revenue Demolition Budget, which is already fully committed for this financial year with projects in progress, to enable demolition work to continue on identified and agreed surplus and operational sites so that sites can either be redeveloped for operational purposes (e.g new schools) or in the case of surplus assets, sold on the open market for an enhanced value. The demolition of surplus assets will also ensure that outcomes of the ASCH (Adult Social Care and Health) Housing, Accommodation and Support Strategy 2019-2035 can be delivered.

Corporate Property – Asset Valuations & Fees - £324,000 one-off

Additional fees required to meet the statutory requirement to value the Council's Property Asset base including the newly introduced IFRS 16 valuations. Current in-house team is suffering from significant recruitment issues and unable to achieve the 2023/24 valuations without additional support from external agencies.

Corporate Property – Commercial Appraisal Officers - £229,000 one-off

Development Appraisal Team required to accelerate asset appraisals, determining deliverable options for property assets identified during the asset challenge process, enabling faster decision making regarding best consideration for the Council and quicker realisation of value for the Council. These posts would be essential for the delivery of the accelerated programme of asset rationalisation, where outsourcing this advice is time consuming and expensive.

Corporate Property – Carbon Reduction for Corporate Buildings - £400,000 one-off

To support the carbon reduction programme for corporate buildings.

Corporate Property – CCTV Installations/Rationalisation - £179,000 one-off

To implement outcomes of CCTV Governance investigations in order to bring the Council into a position of compliance with the Information Governors Code of Practice.

Corporate Property – Decommissioning, Dilapidations and Staff relocations - £501,000 one-off

To decommission buildings that are closing and being disposed of. This includes relocating staff, services and data, clearing sites of unwanted furniture and equipment, reduction or closing off utilities, boarding up, additional security measures for vacant premise or any dilapidations for rented premises etc.

Corporate Property – Project Co-ordination Pool - £143,000 one-off

To add additional resource for internal projects to achieve the asset rationalisation programme

Inflation – Property running costs - £5,663,000 inflation one-off contingency

To cover increased property running costs including utility costs.

Place – Total - £4,090,000 ongoing, £3,661,000 one-off, £6,308,000 inflation one-off contingency

Elvaston Master Plan - £50,000 ongoing, £340,000 one-off

The Elvaston Masterplan requires targeted activity to develop and test the business case for the Masterplan. This will help ensure sustainable and commercially viable solutions are secured for the estate. The planned work includes preliminary studies, assessments and design work to identify the costs, requirements and potential return on investment.

Highways Revenue/Reactive Maintenance - £2,000,000 ongoing £2,500,000 one-off

Current budgets within the Highways Service were set on an historic organisational structure with an income target that is not achievable with the current level of staff resource. As the highways authority the Council has a statutory duty to maintain highways. Reactive maintenance is necessary whereby the Council is required to attend to defects on the highways and in response to emergency situations such as flooding. The Highway Service operates an out-of-hours service and is developing procedures to allow quicker response times. Neglecting this duty can lead to claims against the Council for damages. The current delivery model is being reviewed under the ongoing work in the “Derbyshire Highways Programme” (formerly the ‘Future Highways Model’).

Bus Companion Service - £150,000 ongoing

Residents of Derbyshire who qualify can apply for a Gold Card which is valid for free travel on buses at specified times. This is a national scheme, and the terms are laid down in statute. Introducing a Companion Service will allow a discretionary service to provide free travel to a family member or carer when they accompany Gold Card holders.

Commercial Services - £1,000,000 ongoing

Most of the local bus services in Derbyshire are run commercially. Providers have withdrawn from certain routes as they are no longer commercially viable. Where there isn't a commercial case to operate specific local bus routes across Derbyshire, then the Council – in its role as Local Transport Authority (LTA) – can consider funding a service to maintain services where there is a social, economic, and environmental need for them to operate key routes in the county.

Restructure of Integrated Transport Unit - £200,000 ongoing

Many of the services offered by the Integrated Transport Unit (ITU) have statutory or legislative requirements. The ITU commissions and manages a significant number of services through an IT system which requires replacement and an upgrade to meet increasing demand and complexity. A service restructure is required to ensure adequate resources are in place to meet current and future demands and challenges, improve service delivery and efficiency, meet the Council's statutory duties, and administer the Bus Services Improvement Plan (BSIP) grant.

Grounds Maintenance - £365,000 ongoing

The Countryside Service has developed a business plan which establishes the service's strategy and operational priorities over the medium term. Funding is required to enable a bespoke grounds maintenance schedule of work and appropriate allocation of resources across the Council's 123 countryside sites. It will also enable management of leachate at Grassmoor Lagoons in compliance with statutory environmental obligations and Environment Agency requirements.

Management Team Restructure - £325,000 ongoing, £325,000 one-off

The new departmental strategy for Place outlines a new approach and the need for additional investment in senior management. This will fund the restructure that took place in 2022 and help the department in the delivery of Council Plan Objectives.

APP/Flare Database - £46,000 one-off

The Trading Standards database provides an effective and efficient way of recording all the work undertaken by the service. This helps not only with workload management but provides an essential source of evidence for investigations and prosecutions. It also acts as the database for the Trusted Trader Scheme and licences. A new database is needed as the contract for the current one is about to end. The new system will be purchased, implemented and existing data will need to be migrated across.

Ash Die Back and Woodland Creation - £450,000 one-off

The Council is undertaking a step change in tree-planting across the county driven by its Climate Change Strategy, Nature Recovery Motion, and its anticipated role as responsible authority for the Derbyshire Local Nature Recovery Strategy. The target is to facilitate the planting of up to one million trees by 2030, and to ensure delivery of the Council's Ash Die Back Action Plan.

Inflation - Reactive Maintenance - £1,025,000 inflation one-off contingency

As the Highways Authority, the Council has a statutory duty to maintain highways. The cost of doing so has been impacted by hyperinflation due to the cost of construction materials required to maintain the highway.

Inflation - Waste - £3,583,000 inflation one-off contingency

The Council is a statutory Waste Disposal Authority and has a legal obligation to make arrangements to treat and dispose of all household waste arising across the county. Under each contract for the disposal or treatment of waste, inflationary pressures are passed to the Council. There are a number of different inflation indices used (eg CIP, RPI etc), and these are applied to the contracts based on the value of these indices each January. Hyperinflation has had a significant impact on the cost of this service.

Inflation - Tendered Network Increase - £1,700,000 inflation one-off contingency

The supported local bus network has recently been re-tendered and a significant increase in cost has been experienced due to inflationary pressures. These costs are being passed onto the Council as otherwise the routes would no longer be commercially viable and there would be a risk that the bus operators would withdraw the service.

BUDGET SAVINGS PROPOSALS 2023-24

Adult Social Care and Health – Total - £12,139,000

Continuation from Previous Years' Schemes:

Best Life Derbyshire – Working Age Adults - £1,881,000

This is part of the Council's four-year Best Life transformation programme that will build on best practice and innovate new ways of working to ensure that the Council's services support and promote greater independence for adults living with a disability across the whole county.

Continuation from Previous Years' Schemes:

Best Life Derbyshire - Older People's Pathway - £4,103,000

This is part of a four-year Best Life transformation programme that will build on best practice and innovate new ways of working to ensure that the Council's services support and promote greater independence for older people in Derbyshire. This will include ensuring consistency and equity of access to the Council's short-term services and promote independence through the implementation of consistent strength-based and outcome-focused assessments and reviews.

Continuation from Previous Years' Schemes:

Review of Housing Related Support - £300,000

This is being reviewed as part of the Practical Housing Support Project to ensure value for money and effectiveness to meet adult social care priorities.

Continuation from Previous Years' Schemes:

Preparation and Planning for Disabled Children - £330,000

This is part of the four-year Best Life transformation programme and will focus on improving the interaction between Children's and Adult Services to achieve improved outcomes and greater independence for young people transitioning into adulthood.

Review of Legacy Community Alarm Provision - £300,000

This is to be reviewed as part of the Assistive Technology programme. The current spend on community alarms provision is £600,000 a year.

Direct Care - £1,673,000

This programme will determine which services the Council needs to retain, create a broader effective reablement, recovery and progression offer and ensure value for money.

Best Life Derbyshire – Short Term Services: Optimising the Service - £602,000

This is an extension of the four-year Best Life transformation programme and will focus on ensuring further consistency and equity of access to the Council's reablement short-term services, thereby supporting more older people and disabled people to achieve more independent outcomes.

Direct Payments – Increased Uptake - £600,000

The Care Act explicitly encourages the use of Direct Payments as they provide customers with increased flexibility, choice and control and are generally more cost effective. Increased promotion and uptake of Direct Payments, as opposed to the use of local authority arranged services, will deliver this efficiency.

Integrated Community Equipment Service (ICES) - £800,000

A review and re-negotiation of the contributions made by partners to the ICES to more closely align with the relative levels of prescribing by various health and social care teams across Derbyshire.

Direct Provision - £1,250,000

The re-provision of in-house services will deliver net savings after funding the cost of alternative services.

Other Contracts - £300,000

Review and re-commissioning of long-term contracts.

Children's Services – Total - £500,000

Early Intervention and Prevention - £500,000

Reductions in spend on children's social care placements achieved by developing an Early Help and Prevention Strategy, including: an Edge of Care service model, a fostering modernisation programme and procurement efficiencies.

Corporate Services and Transformation - Total - £625,000

SAP - £500,000

The Council will continue to refine and develop its use of the SAP system to achieve a range of savings across the Council, particularly in relation to transactional processes, procurement, and support costs.

Interest receipts – £125,000

The Council manages its cash balances by investing in a range of products to receive the optimum investment income. The Council will continue to work with its Treasury Management advisers to look at options to increase its interest receipts. Investing in longer-term pooled funds, for example, will help to generate higher returns. There have been recent rises in the base rate of interest, which will contribute to enhanced returns on cash balances available for investment.

Place – Total - £1,200,000

Continuation from Previous Years' Schemes:

Waste - £580,000

The Council will work with partners, including district and borough councils, to reduce the cost of disposing of the county's waste.

Continuation from Previous Years' Schemes:

Derbyshire Highways – £500,000

A major improvement plan for the highways service will result in more efficient ways of working, productivity improvements and generation of income from assets.

Elvaston Castle and Country Park – £120,000

The work being undertaken to develop a business case for Masterplan delivery (subject to a separate pressure bid) will help address the financial sustainability of the Elvaston estate in the medium to long term through capital investment. A reduction in minor repairs and maintenance can therefore be sustained in the short term.

BUDGET SAVINGS PROPOSALS 2024-25

Adult Social Care and Health – Total - £11,435,000

Continuation from Previous Years' Schemes:

Best Life – Working Age Adults - £440,000

Best Life - Older People's Pathway - £132,000

Review of Housing Related Support - £100,000

Preparation and Planning for Disabled Children - £260,000

Best Life - Short Term Services: Optimising the Service - £603,000

Direct Payments – Increased Uptake - £600,000

Year two of efficiency to increase the uptake of direct payments

High Cost Package Review - £900,000

Targeted review of high cost, specialist placements in care homes and supported living settings. Also facilitated by the development of a new Dynamic Purchasing System to include a new fee schedule and encouraging the best offer from care providers.

Short Breaks Re-design - £300,000

A review of the current short breaks offer to people with a learning disability and /or who are autistic and their carers. The review will consider alternatives to the current in-house offer including a separate offer for regular and emergency respite.

Charging Policy Co-funding - £8,000,000

It is proposed that the current charging policy for non-residential services is revised with a planned implementation date of April 2024. This will align Derbyshire with the majority of other local authorities. It will take account of customers' full levels of benefits, private income and savings but allow for the consideration of housing and living costs and additional disability-related expenditure.

Direct Day Care 65+ - £100,000

A review of the current offer for day care (including transport) for older people and their carers.

Children's Services – Proposals in development

The department is undertaking a significant ongoing programme of work to manage demand pressures. The extent to which those can contribute to Council savings plans beyond the 2023-24 financial year will be subject to review.

Corporate Services and Transformation - Total - £1,652,000

Continuation from Previous Years' Schemes:

Interest receipts – £125,000

SAP - £50,000

Property Services – £1,477,000

The Council will continue to reduce running costs by rationalising its land and property and releasing the resulting surplus assets. It will also generate fees from capital schemes.

Place – Total - £2,870,000

Continuation from Previous Years' Schemes:
Elvaston Castle and Country Park – £120,000
Waste - £1,750,000
Derbyshire Highways – £1,000,000

BUDGET SAVINGS PROPOSALS 2025-26

Adult Social Care and Health – Total - £3,063,000

Continuation from Previous Years' Schemes:
Preparation and Planning for Disabled Children - £160,000
Best Life - Short Term Services: Optimising the Service - £603,000

Direct Payments – Increased Uptake - £700,000
Year three of efficiency to increase the uptake of direct payments.

High Cost Package Review - £900,000
Year two of the targeted review of high cost, specialist placements in care homes and supported living settings.

Short Breaks Re-design - £300,000
Year two of the review of the current offer for short breaks for people with a learning disability and/or who are autistic and their carers.

Direct Day Care 65+ - £400,000
Year two of the review of the current offer for day care (including transport) for older people and their carers.

Children's Services – Proposals in development

Corporate Services and Transformation - Total - £1,000,000

Continuation from Previous Years' Schemes:
SAP - £50,000
Property Services – £950,000

Place – Total - £120,000

**Continuation from Previous Years' Schemes:
Elvaston Castle and Country Park – £120,000**

BUDGET SAVINGS PROPOSALS 2026-27

Adult Social Care and Health – Total - £1,100,000

**Continuation from Previous Years' Schemes:
Preparation and Planning for Disabled Children - £200,000**

High Cost Package Review - £900,000

Year three of the targeted review of high cost, specialist placements in care homes and supported living settings.

Children's Services – Proposals in development

Corporate Services and Transformation – Nil

Place – Total - £120,000

**Continuation from Previous Years' Schemes:
Elvaston Castle and Country Park – £120,000**

BUDGET SAVINGS PROPOSALS 2027-28

Adult Social Care and Health – Nil

Children's Services – Proposals in development

Corporate Services and Transformation – Nil

Place – Nil

FIVE YEAR FINANCIAL PLAN for 2023-24 to 2027-28					
	2023-24	2024-25	2025-26	2026-27	2027-28
	£m	£m	£m	£m	£m
FUNDING					
Business Rates and Government Grants					
Business Rates	15.365	15.732	17.107	17.489	18.879
Top-Up	97.774	102.662	106.769	109.972	112.171
Revenue Support Grant	15.714	16.500	16.500	16.500	16.500
Improved Better Care Fund	35.733	35.733	35.733	35.733	35.733
New Homes Bonus	1.106	1.106	1.106	1.106	1.106
General Grant	87.264	94.830	74.830	74.830	74.830
PFI Grant	10.504	10.504	10.504	10.504	10.504
Sub Total	263.460	277.068	262.549	266.134	269.723
Council Tax	387.461	406.504	420.748	435.494	450.761
Use of Other Balances BM/Gen Reserve	23.707	4.652	5.200	2.000	2.000
TOTAL FUNDING	674.628	688.224	688.497	703.628	722.485
EXPENDITURE:					
Base Budget	604.651	650.921	683.572	683.297	701.628
Price Inflation	0.000	0.112	0.112	0.112	0.112
Pay Award (including Living Wage)	11.051	5.542	5.615	5.729	5.845
Contingency for Price Increases	26.933	18.625	8.854	9.155	10.058
Debt Charges	0.000	3.750	3.750	0.000	0.000
Interest Receipts	0.000	0.000	0.000	0.000	0.000
MRP adjustment	0.000	0.000	0.000	0.000	0.000
Funding Changes	-1.417	0.000	0.000	0.000	0.000
Ongoing Service Pressures (see below)	20.544	8.513	4.904	5.289	3.960
Budget Savings Identified	-16.190	-15.957	-4.183	-1.220	0.000
Risk Management Budget	5.349	12.066	-12.066	0.000	0.000
	650.921	683.572	690.558	702.362	721.603
One-off Expenditure:					
One-off Revenue Support	11.063	2.952	2.000	2.000	2.000
Contingency for One-off Revenue Bids	12.644	1.700	1.700	0.000	0.000
One-off budget cuts support (timing delays)	0.000	0.000	0.000	0.000	0.000
Elections	0.000	0.000	1.500	0.000	0.000
	23.707	4.652	5.200	2.000	2.000
Further Budget Savings Required	0.000	0.000	-7.261	-0.733	-1.119
TOTAL EXPENDITURE	674.628	688.224	688.497	703.628	722.485
Ongoing Base Budget	650.921	683.572	683.297	701.628	720.485

Appendix Seven

Assumptions	2023-24	2024-25	2025-26	2026-27	2027-28
Price Inflation	10.70%	5.00%	4.00%	3.00%	2.00%
Pay Award	4.00%	2.00%	2.00%	2.00%	2.00%
Business Rate Growth	2.00%	2.00%	2.00%	2.00%	2.00%
BR Taxbase (£m)	18.365	18.732	19.107	19.489	19.879
BR Collection Fund Position (£m)	-3.000	-3.000	-2.000	-2.000	-1.000
Top Up CPI	3.04%	5.00%	4.00%	3.00%	2.00%
Council Tax Increase	3.75%	3.00%	2.00%	2.00%	2.00%
CT Taxbase Change	1.57%	1.50%	1.50%	1.50%	1.50%
CT Taxbase	261,141	265,058	269,034	273,069	277,166
CT Collection Fund Position (£m)	1.500	3.000	3.000	3.000	3.000
Council Tax (£/Band D)	1,477.98	1,522.32	1,552.77	1,583.83	1,615.50
Ongoing Service Pressures					
Older People Demography	3.471	3.568	2.475	2.521	2.567
Transitions from Childrens/Demand	2.240	1.796	1.831	1.868	1.905
New Hospital Discharge Arrangements	5.000	0.000	0.000	0.000	0.000
MOSAIC Revised Hosting Arrangements	0.125	0.375	0.000	0.000	0.000
Invest to Save Costs	1.175	-0.344	0.000	0.000	-0.512
DDF - Demand/Revised Scheme	0.000	0.000	0.798	0.000	0.000
ILF Grant rolled into Social Care Grant	2.534	0.000	0.000	0.000	0.000
SEND Home to School Transport Demand	0.000	2.168	0.000	0.000	0.000
Children's social care - demography	0.000	0.000	0.000	0.000	0.000
Social Worker Market Supplement	0.000	0.400	0.000	0.000	0.000
Pension Fund	0.000	0.000	0.000	1.000	0.000
Staffing Budget Deficit	0.952	0.000	0.000	0.000	0.000
Child Protection	0.850	-0.100	-0.100	-0.100	0.000
Vision Derbyshire	0.087	0.000	0.000	0.000	0.000
Food Safety Enf Grant rolled into RSG	0.020	0.000	0.000	0.000	0.000
Elvaston Master Plan Staff	0.050	0.000	0.000	0.000	0.000
Rebasing Capital Salaries	2.000	0.000	0.000	0.000	0.000
Waste - Growth	0.000	1.250	0.000	0.000	0.000
Bus Companion Service	0.150	0.000	0.000	0.000	0.000
Commercial Services	1.000	-0.600	-0.100	0.000	0.000
Restructure and Increase in Staffing	0.200	0.000	0.000	0.000	0.000
Grounds Maintenance	0.365	0.000	0.000	0.000	0.000
AD Roles and PA Restructure	0.325	0.000	0.000	0.000	0.000
	20.544	8.513	4.904	5.289	3.960

Appendix Seven

Ongoing Corporate Inflation Pressures					
Risk Management Budget Reimbursement	5.349	0.000	0.000	0.000	0.000
	5.349	0.000	0.000	0.000	0.000
Pay Award	11.051	5.542	5.615	5.729	5.845
	11.051	5.542	5.615	5.729	5.845
PSAA External Audit Fee Increase	0.200	0.000	0.000	0.000	0.000
Contract Fees Paid to Care Providers	22.830	10.584	7.240	7.508	8.379
Home to School Transport	1.811	1.811	0.360	0.367	0.375
Children's social care - carer allowances	1.080	0.220	0.224	0.229	0.233
Children's social care - ext. placements	0.560	0.890	0.908	0.926	0.944
Children's social care - residential/other	0.452	0.120	0.122	0.125	0.127
Property Running Costs	0.000	5.000	0.000	0.000	0.000
	26.933	18.625	8.854	9.155	10.058
One-Off Pressures					
DDF - Demand/Revised Scheme	2.006	1.406	0.000	0.000	0.000
Social Care Reform	0.300	0.000	0.000	0.000	0.000
SEND Home to School Transport Demand	1.084	0.000	0.000	0.000	0.000
Elective Home Education	0.360	0.000	0.000	0.000	0.000
Social Worker Market Supplement	0.400	0.000	0.000	0.000	0.000
Leadership Development Programme	0.300	0.300	0.150	0.000	0.000
Business Partnering Hub	0.180	0.000	0.000	0.000	0.000
Disposal Professional Fees	0.446	0.092	0.000	0.000	0.000
Demolition Reserve Replenishment	0.550	0.550	0.000	0.000	0.000
Asset Valuations and Fees	0.324	0.054	0.000	0.000	0.000
Project Co-Ordination Pool	0.143	0.140	0.000	0.000	0.000
Commercial Appraisal Officers	0.229	0.225	0.000	0.000	0.000
Carbon Reduction for Corporate Buildings	0.400	0.000	0.000	0.000	0.000
CCTV Installations/Rationalisation	0.179	0.039	0.000	0.000	0.000
Property Decommissioning	0.501	0.000	0.000	0.000	0.000
Elvaston Master Plan Staff	0.340	0.000	0.000	0.000	0.000
APP/Flare Database	0.046	0.046	0.046	0.000	0.000
Reactive Maintenance	2.500	0.000	0.000	0.000	0.000
Ash Dieback and Woodland Creation	0.450	0.100	0.000	0.000	0.000
AD Roles and PA Restructure	0.325	0.000	0.000	0.000	0.000
Estimated one-off pressures	0.000	0.000	1.804	2.000	2.000
	11.063	2.952	2.000	2.000	2.000
One-Off Corporate Inflation Pressures					
Transport Contracts/Catering Supplies	0.673	0.000	0.000	0.000	0.000
Property Running Costs	5.663	0.000	0.000	0.000	0.000
Reactive Maintenance	1.025	0.000	0.000	0.000	0.000
Waste	3.583	0.000	0.000	0.000	0.000
Tendered Network Increases	1.700	1.700	1.700	0.000	0.000
	12.644	1.700	1.700	0.000	0.000



Derbyshire County Council

Equality Impact Analysis Record Form

Derbyshire County Council Revenue Budget 2023-24

Department	ALL
Service Area	ALL
Title of policy/ practice/ service of function	REVENUE BUDGET FOR 2023-24
Chair of Analysis Team	Paul Stone, Interim Director of Finance & ICT

Stage 1. Prioritising what is being analysed

- Why has the policy, practice, service, or function been chosen?
- What if any proposals have been made to alter the policy, service or function?

To ensure that when the Council's annual revenue budget is set each year that an assessment is being made of the likely impacts on local people, including those with a protected characteristic under the Equality Act 2010. As the budget sets the overall spending and income raising levels for the Council, it also determines to some degree the areas of service where budget reductions will be targeted, and as such needs to be included within the Council's processes for meeting the public sector equality duty. The analysis of the main budget will be supported by individual service specific Equality Impact Analyses, to ensure that all possible likely impacts are identified, and where possible steps taken to mitigate them. In the event that adverse impact identified is very serious and cannot be mitigated then members would have to consider whether to proceed with the proposed budget reductions.

c. What is the purpose of the policy, practice, service or function?

Each year the Council must agree a revenue budget for the next financial year, which reflects the Council's Five Year Financial Plan and which seeks to ensure a balanced budget, taking into account funding from external sources, including Government, and locally raised sources of income.

Specifically, the budget sets the high-level controls over where the Council will spend money on delivering local services, and thus helps determine the services that will become available to the people of Derbyshire in the following financial year.

Since 2008 the Council's budget has been reduced by Central Government. This means that each year there are fewer resources to fund local services, and the Council must find efficiencies which may result in changes or reductions in service provision to remain within its budget envelope.

The budget will also set whether or not locally raised income is increased each year, such as through rises in Council Tax and other major charges, impacting on local people, whether or not they use different Council services. It does not exercise control over the levels of Business Rates which are raised, although the Council receives a proportion of these.

The budget reduction proposals within the Five-Year Plan for 2023-24 are significant and reliant on the Council's ability to achieve this level of savings whilst responding to significant service pressures and external factors such as increased inflation and the cost of living crisis, whilst maintaining a balanced budget position. All proposals need to be considered in context with the size and nature of the service, and ideally, with reference to earlier or future proposals.

Stage 2. The team carrying out the analysis

Name	Area of expertise/ role
Paul Stone (Chair)	Interim Director of Finance & ICT
Mary Fairman	Assistant Director, Legal Services
Tina Adams	Head of Financial Management & Strategy
John Cowings	Senior Policy Officer, Equalities
Angela Beighton	Assistant Director CS
Sarah Eaton	Assistant Director Strategy and Policy CST
Linda Elba-Porter	Service Director ASCH
Dave Massey	Performance and Engagement Officer Place
Mandy Cann	Senior Communications Officer CST

Stage 3. The scope of the analysis – what it covers

This analysis will examine:

1. The proposed Revenue Budget for Derbyshire County Council for 2023/24
2. Whether the setting of the budget is likely to affect particular groups of service user, residents and staff, and whether these are likely to have protected characteristics and experience other inequality, in line with the requirements of the Equality Act 2010.
3. The issues and feedback provided by the public from consultation carried out in relation to a proposed budget or budget priorities.
4. It will seek to highlight any concerns over the possible impacts for groups of people and communities in Derbyshire, where these are likely to be negative, adverse or could be deemed to be unfair or discriminatory.

Budget Proposals

The Council's Five-Year Financial Plan (FYFP) has identified that the Council will need to make efficiencies of approximately £16.190m in 2023-24, with expenditure at £674.628m for the financial year, which includes £70.984m of additional budget proposals. Over the period of the FYFP, efficiencies of approximately £46.663m are required in order to balance the budget. This considers departmental services pressures over the medium term including pay awards, changes to statutory requirements and demographic growth.

The Budget proposals below request additional expenditure for 2023-24 in the following areas.

Adult Social Care & Health

- Increase on Contract Fees paid to Care providers - £22.830m
- Demographic Growth - £5.711m
- New Hospital Discharge Arrangements - £5.000m
- Independent Living Fees - £2.534m
- Derbyshire Discretionary Fund - £2.006m
- Inflation Transport & Catering Supplies - £0.673m
- Social Care Reform - £0.300m
- Invest to Save Costs of Transformation - £1.175m
- Mosaic Hosting Arrangements - £0.125m

Total for Adult Social Care & Health = £40.354m

Children's Services

- Special Needs (SEND) Home to School Transport including Inflation - £2.895m
- Inflation Childrens Social Care - £2.092m
- Social Workers - £0.400m
- Elective Home Education - £0.360m

Total for Children's Services = £5.747m

Corporate Services and Transformation (CST)

- Legal Services - £0.952m Alignment of Staffing Budget with current structure.
- Legal Services Child protection – £0.850m
- Organisation Development and Policy Leadership Development programme - £0.300m
- Organisation Development Business Partnering and Transformation Model - £0.180m
- Organisation Development and Policy Vision Derbyshire - £0.087m
- Food Safety Enforcement - £0.020m
- Corporate Property Disposal Professional Fees - £0.446m
- Corporate Property Demolition Budget - £0.550m
- Corporate Property Asset valuation and Fees - £0.324m
- Corporate Property Commercial Appraisal Officers - £0.229m
- Corporate Property Carbon Reduction for Corporate Buildings - £0.400m
- Corporate Property CCTV Installations - £0.179m
- Corporate Property Decommissioning - £0.501m
- Corporate Property project Co-ordination Pool - £0.143m
- Inflation Property Running Costs - £5.663m

Total for CST = £10.824m

Place

- Waste Inflation - £ 3.583m
- Reactive Highways Maintenance including inflation - £5.525m
- Local Bus Network Inflation - £1.700m
- Commercial Services – Buses - £1.000m
- Management Team Restructure - £0.650m
- Grounds Maintenance - £0.365m
- Elvaston Master Plan - £0.390m

- Restructure of Integrated Transport Unit - £0.200m
- Bus Companion Service - £0.150m
- Trading Standards Flare Database - £0.046m
- Ash Die Back and Woodland Creation - £0.450m

Total for Place = £14.059m

Totals for the Council in 2023-24 = £70.984m

The Council has set out its key priorities for Equality, Diversity & Inclusion and its strategic approach focuses on key pillars of activity which will support the achievement of ambitions to drive forward its Strategic approach to Equality, Diversity & Inclusion.

There are a number of budget proposals that will directly contribute to supporting some of the Council's priorities set out in its Equality, Diversity and Inclusion strategy as detailed below:

A Diverse & Confident Workforce

A number of the budget proposal above will create jobs at a range of different levels throughout the authority, therefore, by creating additional employment opportunities with the County and surrounding areas this should help to improve the diversity of our workforce which will be representative of the community that it services. In addition to the creation of a number of jobs, the following proposals will also support this priority:

- Social workers - £0.400m. To support and fund market supplements in the frontline structure negating the need to hold vacancies. Supporting the Councils Recruitment Strategy pending a review on the impact of pay on recruitment & retention of social workers.
- Place – Restructuring of the Integrated Transport Unit - £0.200m. To support the restructure of staffing to improve the delivery of services related and implement the Bus services Improvement Plan.
- Place - New Assistant Director Roles and PA Re-structure - £0.650m. The new departmental strategy in Place outlines a new approach and the need for investment in senior managers to enable to department to develop robust strategies and deliver savings, becoming more efficient in delivering Council Plan priorities.
- Place - Elvaston Master Plan - £0.050m. To support the costs of a project manager to enable the business to develop the Business case for capital investment to deliver the masterplan.
- Legal services Staffing Budget Deficit -£0.952m ensuring budget is in place to maximise service delivery and ensure vacancies can be filled.

- Organisational, Development and Policy Leadership Development Programme - £0.300m to support development of staff in leadership roles ensuring a developed workforce. Business Partnering Hub and Spoke Transformation Model £0.180m supporting the transformation division in training to ensure the Council delivers projects efficiently and effectively.
- Corporate Property - £2.050m on a number of proposals focussing on Asset management and ensuring workforce accommodation is fit for purpose and meets the Modern Ways of Working Agenda.

Employment Skills and Business Support

Increasing the number and range of employment and skills opportunities to support businesses and improve qualifications across diverse communities to enable a thriving economy that all communities can access. The budget proposals support this priority in the following ways:

- Adult Social Care & Health - £22.830m to cover the inflation uplift payable to the independent care sector providers ensuring providers maintain their business and continue to provide adequate and quality provision in the County.
- Place – Management Restructure - £0.650m. A number of new posts created with the Council.
- Place – Regeneration Service Development - £0.415m and Major Schemes £21.850m creating jobs to ensure the Council and its residents are benefitting from all available grants, also kick-starting capital schemes that can bring forward growth for Derbyshire, providing housing, jobs, and skills.
- Place – Commercial Services - £1.000m. Most of the local bus services in Derbyshire operate on a commercial basis. Providers have withdrawn from certain routes as they are not commercially viable, therefore the Local Transport authority needs to consider filling the gap and help to support the routes. This in turn maintains local transport routes for residents, and enables people to use public transport to get to and from places of employment.
- Corporate Services and Transformation – Legal Staffing Budget Deficit £0.850m, Child protection £0.850m, Disposal Professional Fees - £0.446m, Commercial Appraisal Officer - £0.229m, project Co-ordination pool - £0.143m these proposals will involve jobs being created within the Council which in turn increases the employments opportunities within the County.

Engaged Communities Able to Influence Decisions

Engaging with different and diverse communities to increase the age and range of people from different backgrounds participating in public life resulting in a thriving local economy all communities can access. The following budget proposals help to support this priority as follows:

- Adult Social Care & Health – Independent Living Fund £2.534m to support the choice of individuals to receive care packages and remain in homes as an alternative to entering residential care.
- Derbyshire Discretionary Fund - £2.006m to provide financial assistance to residents of Derbyshire who meet eligibility criteria.
- Children’s Services Elective Home education - £0.360m supporting families who choose a home education setting, ensuring any safeguarding risks and assessing suitability of education.

Healthy and Supported People

Addressing and reducing inequalities in health and the provision of social care and other support to ensure people in Derbyshire are healthy and feel they have the support they need. The budget proposals will help to support this priority in the following ways:

- Adult Social Care & Health - £5.711m to support the increase in the 65+ population, the number of disabled adults accessing services, the increases in cases of early onset of dementia and complexity of needs of cases transitioning from Children’s Services.
- Adults Social Care & Health - £5.000m to facilitate rapid hospital discharges with access to the most appropriate post-discharge support, working with partners to commission support packages.
- Adult Social Care & Health Discretionary Fund - £2.006m providing additional support to residents in Derbyshire in financial need and who meet eligible criteria.
- Place - Ash die back and Woodland Creation - £0.450m. Air pollution has a significant impact on people who suffer from lung health issues and long-term breathing conditions. There is evidence that people living in deprived areas are twice as likely to die from lung disease than people who live in more affluent areas, with factors like smoking and poorer health among the worse off. In addition, the Covid-19 Pandemic has pushed lung health to its limits and has highlighted the devastating impact that respiratory conditions can have on people’s lives, making the vulnerable even more vulnerable. The budget proposal above is part of the Climate Control Strategy and has potential to improve air quality which could help to improve the health of people living with breathing conditions.

- Children's Services Special Needs Home to School Transport - £1.084m to meet the increased costs and demand of children with special educational needs ensuring they have transportation to school
- Children's Services Legal Costs - £1.100m to meet the increase in cost, demand and complexity of children in care proceedings supporting the safety and care of children and young adults.
- Children's Services Elective Home Education - £0.360m to ensure children who are educated at home are safeguarded and their education is suitable.

Safe and Inclusive Places for Everyone

Working with partners and communities to respond to discrimination-based hate and abuse ensuring communities are inclusive places where everyone's contribution is recognised and celebrated will be achieved by ensuring people feel their communities are safe and inclusive for everyone. The following bids will help to support this priority:

- Adult social Care & Health - £0.400m Social Workers. Supporting budgets for market supplements to ensure vacancies can be filled in order to have sufficient resource to safeguard vulnerable adults and young
- Place Bus Companion Service - £0.150m to allow a discretionary service to provide free travel to a family member or carer when they accompany a Gold card holder on a qualifying bus journey.

Stage 4. Data and consultation feedback

a. Sources of data and consultation used

Source	Reason for using
Council Budget Report – February 2023	Annual budget which sets spending and income raising levels for the future financial year.
Derbyshire County Council Five Year Financial Plan	Strategic document setting the priorities for the Council in relation to its budget and resources.

Derbyshire County Council Budget Consultation for 2023-24 (conducted October-December 2022)	Responses received from the public, residents, service users and staff in relation to the budget priorities and the level of income to be raised through Council Tax for the year being analysed.
Derbyshire performance indicator set	Provide context information in relation to levels and quality of services
Workforce data	Provide context information in relation to staffing levels and pay.
Previous Revenue Budget reports and completed EIAs reported to Cabinet	Provide cumulative related information – including whether previous savings made in service area/ department
Equality & Human Rights Commission Guidance – various	Clarifies duties and provides good practice advice in relation to PSED and making decisions.
Derbyshire Observatory	Demographic, economic and other data.

Stage 5. Analysing the impact or effects

a. What does the data tell you?

<i>Protected Characteristic</i>	<i>Findings</i>
Age	<p>The nature of our functions and areas of responsibility as a County Council mean we provide a number of services to older people, younger people and families. Those services which are intended to provide care and support are provided primarily by two departments– Adult Social Care and Health, and Children’s Services. These departments have the largest total budgets. The other departments also provide some services which the public use but which, if altered, can specifically lead to implications for people of different ages, such as public transport, libraries and consumer protection.</p> <p>The proposals for 2023-24 include important proposed changes that will impact upon people on grounds of their age.</p>

	<p><u>Older people</u></p> <p>The budget proposed for 2023-24 includes a number of possible savings that could further affect older people, carers and families, including:</p> <ul style="list-style-type: none"> • Best Life Derbyshire – Working age adults £1.881m • Better Life Derbyshire – Older Peoples Pathway £4.103m • Direct Care - £1.673m • Direct Provision £ 1.250m • Integrated Community Equipment Service - £0.800m • Best Life Derbyshire Short Term services - £0.602m • Direct Payments increased take-up - £0.600m • Review of Housing Related Support Schemes - £0.300m • Review of Community Alarm Provision - £0.300m • Review of long-term contracts - £0.300m <p>For older people the most obvious proposals which could result in an adverse impact could come from the Older people's pathway and the proposals in relation to direct care provision. It is recognised that these proposals potentially affect older and disabled people in particular. However, many of the proposal not only result in savings but are also directly associated with achieving best value provision through alternate delivery methods which include keeping people in their own homes for longer which will have a positive impact on these people.</p> <p>These proposed changes have been examined in a full EIA.</p> <p>The remaining services which are listed could also result in reduced service, access to services or support for older people being curtailed, and reduce the quality of life for older people in Derbyshire.</p>
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Children and families

The budget for 2023-24 will include a number of significant savings proposals which could affect children, young people, carers and families including:

- Early Intervention and Prevention - £0.500m
- Preparation and planning for disabled children - £0.330m
- Future Highways Model - £0.500m
- Waste - £0.580m
- Review of Housing Relates Support Schemes - £0.300m
- Elvaston castle and Country Park - £0.120m

The impact of these proposals could affect a range of different families, depending upon the age, disability status and needs of the children, and whether the Council is involved in caring for or safeguarding children. A number of these services have already made significant savings and been re-organised, so there could also be an important cumulative adverse impact on some families.

The planned changes to the Highways, waste and Elvaston Country Park could also have an impact on families and children.

Potential for impact on older workers within the Council

A number of proposals may include restructuring of staffing teams, although details are not available at this level of the budget.

The Council has an older workforce, with an average age of almost 50 years of age. Wherever possible the authority will try to offer workers who might be at risk the opportunity to retire or leave on a voluntary basis. This is subject to age and status restrictions, affordability, through the impact on the budget and pension fund, and the need to retain skills in some areas. This policy has helped to avoid forcibly making workers redundant. Over recent years the number of employees retiring or taking advantage of the voluntary schemes has helped avoid enforced redundancies.

<p>Disability</p>	<p>The functions and responsibilities of the County Council means we provide important services and support to disabled people, carers and the families of disabled people. Some specialist services are targeted at people with sensory impairments, people experiencing poor mental health, people with a learning disability, and people with dementia. Cuts to these services or changes in the way support is provided can have a significant impact on the lives of these customers, their ability to participate in society, their well-being and life chances. Any changes proposed for non-statutory entitlement to bus travel concessions/ support for travel would be likely to impact adversely on disabled people, since the statutory entitlement rules are largely set by national Government.</p> <p>The budget proposals for 2023-24 include a number of savings proposals which could affect disabled people, adults and children, carers and the families of disabled people, including:</p> <ul style="list-style-type: none"> • Working age Adults - £1.881m • Older people's pathway - £4.103m • Direct Care - £1.673m • Integrated Community Equipment Services - £0.800m • Direct Payments increased uptake - £0.600m • Best Life Derbyshire Short-term Services - £0.602m • Preparation and Planning for Disabled Children - £0.330m • Housing Related Support - £0.300m • Review of Community Alarm Provision - £0.300m <p><u>Disabled workers</u></p> <p>The number of employees who have declared a disability makes up around 3% of the Council's total workforce. This has remained relatively unchanged over the last ten years.</p>
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	<p>Levels of disability vary across departments but are higher in Adult Social Care and Health. Proposals in this department could therefore impact on a disproportionate number of disabled workers. Changes such as relocation, changes to duties and responsibilities, or to terms and conditions, including pay, can also affect disabled employees in a negative way. This can include the disruption which can result from staffing and other changes.</p>
Gender (Sex)	<p>Many of our direct customers are women. They are more likely to feature as carers, as residents of care homes/ user of older person services, user of libraries, benefit from community safety services and protection type services, and as a parent needing support.</p> <p>Women make up almost 80% of the total workforce and a similar majority of the many part-time workers we employ. Proposals within this budget include a number to restructure service teams, where women, by nature of the proportion they represent, are likely to be affected to a greater degree.</p> <p>Amongst the proposals, the following are likely to impact on women to a greater extent:</p> <ul style="list-style-type: none"> • Working age Adults - £1.881m • Older peoples pathway - £4.103m • Direct Care - £1.673m • Integrated Community Equipment Services - £0.800m • Direct Payments increased uptake - £0.600m • Review of Housing Related Support schemes - £0.300m <p>Women as mothers/ parents and older women could be adversely affected by the Adult Social Care and Health proposals, having levels of care reduced and other services which enable older people to remain in their own homes.</p>

	<p><u>Female and male workers</u></p> <p>With women making up almost 80% of employees, and a similar proportion of part-time workers, proposals which would alter staffing structures, numbers, working hours or duties could adversely affect men and women differently. Whilst staffing reductions might be in proportion to the size of the male or female workforce in the Council, the fact that the authority employs many more women, will mean that women are likely to be affected in greater numbers, and to a greater degree in the case of part-time and lower paid employees' e.g., care workers.</p>
Gender re-assignment	<p>The incidence of gender re-assignment is rarely monitored but we do know that the number of people to whom this applies is increasing in the UK. This makes it difficult to gain accurate figures for the numbers of residents and people who use our services, who have or are undergoing gender re-assignment. We do know that a small number of services work with people who have this protected characteristic as a target group, such as community safety, to tackle issues such as hate crime, or public health services in relation to well-being or sexual health. As an employer we are becoming increasingly experienced in supporting people who transition,</p> <p>This means that amongst our residents and people who use our services, people with this protected characteristic will be represented and could be additionally affected in some cases.</p>
Marriage and civil partnership	<p>The public sector duties in relation to marriage and civil partnership seek to ensure that anyone in a civil partnership does not experience less favourable treatment than those who have entered into a marriage.</p>
Pregnancy and maternity	<p>There is much research which has revealed that women who become pregnant can experience discrimination, especially in relation to employment, but also because of attitudes towards issues such as breastfeeding.</p>

	<p>A range of public health services commonly work with expectant mothers and new parent households. Changes to these services could have a significant impact on pregnant or expectant mothers/ households where these individuals or families require support or engage with local services.</p> <p>Recent legislative changes have extended the rights of parents to share parental leave. The Council has developed a clear policy for supporting employees who take shared parental leave.</p> <p>Of the proposals within the budget for 2023-24 it is considered that the following could result in an adverse impact on expectant and new mothers or families taking shared parental leave:</p> <ul style="list-style-type: none"> • Preparation and Planning for Disabled Children - £0.330m
Race	<p>When compared to the nearby cities of Derby, Nottingham, Sheffield, and Manchester/ Stockport, which are within easy reach of Derbyshire, the county has a lower than average population of people from a BME background. Derbyshire's BME population is spread across a broad range of different racial and ethnic groups, including people from the EU and Eastern Europe, from Black, Chinese and Asian communities. Only one area within Derbyshire has a BME population which represents more than 10% of the total population, the Stenson Fields area on the edge of Derby City but within the administrative area of South Derbyshire. Chesterfield, Long Eaton and Shirebrook are also known to have identifiable communities of BME people.</p> <p>Over the last decade the Council has invested in developing consultation with BME based community and voluntary organisations, establishing the BME Community Forum. This Forum has worked closely in the past with Adult Social Care to improve understanding of the needs of BME customers, and ensure services are culturally sensitive to their needs. This work has also meant that funding has been made available to help develop the capacity of BME community and voluntary sector organisations.</p>

	<p>A number of the proposals within the budget plans for 2023-24 could impact adversely upon BME households, but to a similar degree to non-BME households, and are dependent upon the extent to which those households use or engage currently with services. This includes:</p> <ul style="list-style-type: none"> • Working Age Adults - £1.881m • Older people's pathway - £4.103m • Direct Care - £1.673m • Integrated Community Equipment services - £0.800m • Best Life Derbyshire Short Term services - £0.602m • Increase in Direct payments - £0.600m • Review of Housing Related Support Schemes - £0.300m • Preparation and Planning for Disabled Children - £0.330m • Review of the Community Alarm Provision - £0.300m <p>However it should also be noted that the many of the proposals around older people are associated with alternate service delivery and keeping people in their homes for longer which although will generate savings for the Council will deliver a better value provision and have a positive impact on these people.</p> <p><u>BME employees</u></p> <p>Around 3% of the Council's workforce is from a BME community. This rate has only increased very slowly and by a small amount over the last decade. This rate is higher in Adult Social Care and Health, but lower in other departments, reflecting the occupational segregation of our BME workers. Re-structuring proposals in Adult Social Care could affect BME representation, if job cuts were to be made in relation to jobs carried out by BME employees.</p>
<p>Religion and belief including non-belief</p>	<p>Religion and belief, including non-belief, can often mean that people will have different cultural or dietary needs, which as service users, will need to be met or taken regard of. Faith often features as an issue in relation to schooling, school transport, or the services which are provided to people we support or care for, and services which work in communities tackling abuse or exclusion.</p>

	<p>A number of the proposals could have an adverse impact upon some people from a religious minority background, including:</p> <ul style="list-style-type: none"> • Working Age Adults - £1.881m • Older people's pathway - £4.103m • Review of Housing Related Support Schemes - £0.300m • Preparation and Planning for Disabled Children - £0.330m <p><u>Employees who follow a faith or religion</u></p> <p>There are a very small number of people from the Muslim, Sikh, Hindu, Jewish and Buddhist communities within the Council's workforce. Most workers have indicated that they are either Christian or have no religion.</p> <p>When considering the likely impact on employees of staffing restructures and other proposals, the issue of religion and belief is unlikely to feature highly, and there is unlikely to be a measurable adverse impact.</p>
<p>Sexual orientation</p>	<p>Although monitoring data is not always available in every walk of life, and there is still evidence that people may not provide this information in every situation, estimates suggest that LGBTQ people make up between 2 and 5% of the population, and accordingly of people who use our services, and people who rely upon our support based services.</p> <p>This is likely to mean that they will feature amongst all groups of customers but may not self-identify specifically as LGBTQ.</p> <p>Over recent years we have improved the extent to which our services have become aware of the needs that LGBTQ people in relation to a number of services or functions of the Council.</p>

	<p>It is likely therefore that proposed savings across most areas of service will also impact on LGBTQ people as they would on heterosexual people, and that as a consequence, where the protected characteristic of sexual orientation might require a different or adapted services, that these are also affected by cuts or changes, in some cases in an adverse impact for people who are LGBTQ. Issues which are commonly raised include personal safety, support for young people making future life and identity choices, the provision of same sex marriage ceremonies and civil partnership ceremonies, public health including sexual health, mental health support, employment, policy development and how the Council communicates with its LGBTQ communities and residents.</p> <p>In addition to proposal affecting older people and families, which are listed n above categories an additional small number of the proposals are believed to have implications for people who are lesbian, gay, bisexual or who identify differently than heterosexual including:</p> <p><u>LGBTQ employees</u></p> <p>Lesbian gay, bisexual and other non-heterosexual workers (LGBTQ) workers make up around 2% of the workforce, and are represented across the authority, with slightly higher proportions working in Adult Social Care and Health, and lower than average proportions in Economy Transport and Environment.</p> <p>The LGBTQ Employee Network has historically provided useful feedback to the Council over how new or changing policies and service might impact upon or be used/ accessed by LGBQ and T people. There is no current evidence to suggest that as employees they have been disproportionately adversely affected by changes to the workforce arising out of budget savings.</p>
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Non-statutory

Socio-economic and social mobility	<p>Derbyshire has a high variation between households who are affluent and those which experience deprivation or socio-economic disadvantage. Many services provided by the Council are designed to meet people with fewer resources, people who may experience poorer health, or have lower life chances. Accordingly, for many of our customers, deprivation or disadvantage will be a key determining factor which accounts for access and consumption.</p> <p>Most of the proposals in the budget will exercise a potential adverse impact on those who have fewest resources, or who are least able to cope when services are reduced or removed.</p> <p>The following proposals are expected to exercise a significant possible adverse impact of people with fewer resources, or living in deprived communities, including:</p> <ul style="list-style-type: none"> • Childrens Services – Early Intervention and Prevention - £0.500m. • Adult Social Care & Health Review of Housing Related Support - £0.300m. • Adult Social Care & Health Review of Community Alarm provision - £0.300m. • Adult Social Care & health Direct Payments increased Uptake - £0.600m <p>Social mobility is determined though a number of factors, many of which are beyond the control, but not necessarily the influence, of the County Council. The state of the national and local economy exercises significant influence over whether individuals or households are able to improve their standard of living, and achieve a better life for themselves, accessing choice and control which was previously denied or out of reach, or by gaining skills and resources to change things. In Derbyshire those with least social mobility can be found in our deprived communities and neighbourhoods, and amongst a number of protected characteristic groups, especially disabled people, and women. The proposed savings in the budget for 2023-24 could further limit some aspects of social mobility.</p>
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	<p>This will include savings in relation to changes to older and disabled people's care and other services. That said, the Council continues to invest its energies in attracting and supporting local, businesses and jobs, which if successful provides a key lever for people to access social mobility opportunities, and generating additional opportunities. Importantly, new jobs need to get to local people from deprived communities and groups, or part of the potential benefit is lost, and social mobility cannot be improved.</p> <p>The Council employs people from across Derbyshire, including many workers who live in poorer and deprived communities. Additionally many such workers will work in the same or a nearby community to that they live in. Reductions in jobs in such localities, albeit small in number, can result in a negative impact in those same communities and reduce opportunities for social mobility.</p>
Rural	<p>The Council provides a number of services which may be delivered differently or may be more costly to deliver in its rural areas. The county's market towns often have "branch" type offices of local services, where teams of staff are based and work in the community and surrounding rural areas. Additionally, some services, such as the financial support for public transport, may be concentrated into supporting services which specifically serve rural areas, to ensure these areas have services and are accessible.</p> <p>Proposals which could lead to a reduction or the removal of services in the county's rural areas can have a large negative impact upon the sustainability and resilience of rural communities, and cause significant difficulties for poorer or less mobile residents.</p> <ul style="list-style-type: none"> • Working Age Adults - £1.881m • Older people's pathway - £4.103m • Direct Care - £1.673m • Short Term Services - £0.602m • Direct Payments increase take-up - £0.600m • Review of Housing Related Support Schemes - £0.300m • Preparation and Planning for Disabled Children – £0.330m

	<ul style="list-style-type: none"> • Review of Community Alarm Provision £0.300m • Elvaston Castle and Country Park - £0.120m • Future Highways Model - £0.500m <p>The Council employs people from across Derbyshire, including many people who live in its rural areas. The extent to which any job losses amongst workers will impact on rural communities is un-researched.</p>
Other groups of people and businesses	<p><u>Businesses in Derbyshire</u></p> <p>A number of the proposals could affect businesses which provide services to the Council. For example, where the Council is proposing to make savings in relation to purchased goods and services, where the maintenance of buildings and assets will be affected, and in relation to opportunities to tender or bid for contracts and commissioned services, changes to frontline and back office services can lead to external businesses and other providers being adversely affected. This could also be the case where the Council proposes to move out of buildings in town centres and communities, leaving them blighted as the range of local services declines.</p> <p>This could have a negative impact on the local economy during a difficult economic outlook as the Council looks to recover from the Covid-19 pandemic supporting regeneration across the region and the continued decline of the high street.</p> <p>The Council has supported businesses during the pandemic ensuring prompt payment of goods and services and implementing a hardship fund.</p> <p>How expenditure takes place in relation to regional and local economic development support is also of relevance. Including the priorities and eligibility criteria fixed for businesses seeking to access help and support. The Council's relative success in attracting investment into Markham Vale does not necessarily benefit businesses in other areas of Derbyshire.</p>

	<p><u>Public and private partners</u></p> <p>A number of the proposals could lead to changes in procurement and commissioning arrangements, or affect the Council's capacity to work with public and other partners, including:</p> <ul style="list-style-type: none"> • Working Age Adults - £1.881m • Older Adult's pathway - £4.103m • Direct Care - £1.673m • Review of housing Related Support Schemes - £0.300m • Preparation and Planning for Disabled Children - £0.330m • Future Highways Model - £0.500m <p>In a number of the proposals (which have become more detailed and are now being consulted upon) assumptions have been included which expect service reductions or re-organisation to be aided or mitigated by services from the community and voluntary sector. There are few signs in these reports which establishes that the sector can do all of this, nor are there indications that funding will be increased to this sector to enable them to develop the capacity or resources to do so.</p>
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- b. What does customer feedback, complaints or discussions with stakeholder groups tell you about the impact of the policy, practice, service or function on the protected characteristic groups?

The Council's on-line budget consultation "Your Council, Your Voice" was an in-depth survey, combining both budget and residents' consultations. It asked the public a range of questions and asked them to state their top priorities. As some distinct communities are not easily visible or represented within these priorities, this makes analysis of the consultation responses more difficult to interpret in relation to the nine protected characteristic groups.

In addition, a number of Focus Groups were held, both in-person and on-line, which gave participants the opportunity to understand more about how the budget is constructed and the pressures facing the Council. Attendees were then invited to participate in a prioritisation exercise with wider discussion around Council services.

One Focus Group invited a number of young people from local schools to participate in an Educational half day, focusing on how the Council operates, what services it provides, and how it deploys its expenditure to provide services. When asked what Council services were important to them, the participants' priorities focused around investing in the local area in terms of jobs and further education opportunities, highways, and looking after adults and vulnerable children.

The in-person focus groups resulted in one comment that was related to equality. The comments suggested that additional Focus Groups should be targeted at young people as they were the future of Derbyshire. The group was informed that there was a specific focus group with young people from local schools, aimed at raising awareness of the Council's Budget and services.

<i>Protected Group</i>	<i>Findings</i>
Age	<p>When the public was asked which priorities it supported, a number of those selected support for older people (this being a fifth of priorities selected) and providing support for vulnerable children and families (tenth).</p> <p>There were 2,431 responses to the online survey, the average age of respondents was 57 years, with 46 people responding in the age band 16-24 and 23 in the age band 85+. The highest response was from the 45-64 age group.</p> <p>A total of 29 residents also took part in five online and face to face focus groups. The majority of the attendees were in the 45-64 age group, however, Adult Social Care and health did not feature in the top three priorities for these focus groups</p>
Disability	<p>The recent public consultation asked those taking part to indicate if they have a disability, so it is possible to review feedback in relation to people who have a disability and those who indicated they did not. Of those who took part 19% of respondents indicated they had a disability, this compares to 20% of the population who said their day-to-day activities were limited in the latest ONS Census for which data is available (2011)</p>

	<p>No specific questions were asked in relation to mental health so it difficult to tell from the consultation whether the public would see investing in mental health services as a distinct priority. It could be expected that the strong support for expenditure which supports and encourages healthy lifestyles will impact positively on some areas of disability, including mental health. However, there were some general comments about the importance of health and wellbeing.</p>
Gender (Sex)	<p>Of those who responded, there was a relatively even split of 45% male and 54% female.</p> <p>This is similar to the previous year but a change from previous years where the respondents have tended to be more weighted towards female residents. The top Council priority selected by both male and females is 'Highways services including planning and maintenance'; although 51% of males and 33% of females chose this service priority.</p> <p>The second most popular service for males is 'waste and recycling centres' 28% but for females it is 'supporting public and community transport' 31%.</p>
Gender reassignment	<p>People who have or are undergoing gender re-assignment will feature amongst the population of Derbyshire who had opportunities to participate, and may well feature amongst those who have responded.</p> <p>It is not possible to identify specific impacts on the basis of gender re-assignment from the consultation which has been carried out.</p>
Marriage and civil partnership	<p>Those participating were not asked to indicate if they had this protected characteristic. This is not believed to have been a factor which would significantly determine impact and as such opinion within the budget consultation.</p> <p>However, amongst the support for specific priorities, there was support for investing in services which support families and children, and keeping children safeguarded.</p>

Pregnancy and maternity	<p>Those participating were not asked to indicate if they had this protected characteristic.</p> <p>There was support amongst those who took part for services for families and children, and for work which supports healthy lifestyles, both of which are likely to be specifically relevant to expectant parents and newly born children.</p>
Race	<p>A total of 94% of respondents identified themselves as white, with 6% identifying themselves as BAME (Black, Asian and Minority Ethnic). This is consistent the percentage of Derbyshire's population who identified themselves as White British/BAME in the latest ONS Census for which the data is available (2011).</p> <p>From the responses received it is not possible to identify specific views from our BME communities in relation to the budget consultation.</p>
Religion and belief including non-belief	<p>Those participating were not asked to indicate if they had this protected characteristic.</p> <p>From the responses received it is not possible to identify specific views from our religious minority communities in relation to the budget consultation.</p>
Sexual orientation	<p>Those participating were not asked to indicate if they had this protected characteristic.</p> <p>From the responses received it is not possible to identify specific views from people who are LGBTQ in relation to the budget consultation. From previous consultations with organisations representing LGBTQ people it is still believed that investment in community safety and public health services can feature as a priority with LGBTQ people, although they are just as likely to be supportive of expenditure on looking after older people, support for younger people and issues such as jobs and the economy, the environment, road and transport and tourism and the visitor economy as non LGBTQ people.</p>

Non-statutory

Socio-economic	<p>Those participating were not asked to indicate if they had this protected characteristic.</p> <p>A total of 23% of respondents supported help for older adults and 18% in economic regeneration in their top three priorities. Those who support expenditure on looking after older and vulnerable people may also be highly represented amongst respondents from disadvantaged communities, since these services can be more important to poorer older people. It should also be recognised that many people with disabilities, including those with learning disabilities are likely to have lower incomes and more likely to experience economic disadvantage.</p> <p>The support for economic regeneration is perhaps a reflection of the current economic situation faced by the UK as a result of the Covid-19 pandemic, and the more recent cost of living crisis. Unemployment in Derbyshire has increased slightly over the past two months, it is however still 3% lower than in December 2021.</p>
Rural	<p>From the consultation responses it is possible to identify the proportion of respondents who supported investment in improving access to rural services, those who supported investment into the environment and those supporting road maintenance and repairs expenditure (although this does mean all supporters were rurally based).</p> <p>Some 41% supported investment in roads, 24% in the environment, and 16% in countryside services, much of which benefits the Peak District and Derbyshire's more rural areas.</p>

- c. Are there any other groups of people who may experience an adverse impact because of the proposals to change a policy or service who are not listed above?

The Council spends a significant amount of its budget buying, procuring and commissioning services from local businesses, charities, partners and other organisations based in Derbyshire and elsewhere.

Proposals which seek to alter whether a service is purchased in this way, perhaps by bringing a service in-house, or by placing a service out within a tendering process, can result in negative or positive impacts for these organisations. Where the amount we have to spend with other companies or organisations is reduced, this can lead to unintended consequences for them, reducing income, affecting their futures and leading to reductions in the number of people they employ.

Increasingly services identifying a role for the community and voluntary sector within their proposals that involve these organisations and volunteers directly delivering some services. To be able to do this successfully, services need to be clear about whether this capacity already exists or whether they will need to help-develop this, and on the time and levels of resources that would be required.

Within the responses received to spending priorities it is clear that motorists have featured amongst those who took part. One of the highest levels of support was for expenditure on roads maintenance/ repair. This level of support has been repeated each time consultation has taken place in relation to the budget or Council priorities. This type of expenditure is universally important. Support for social care services has also featured highly over repeated consultations in recent years.

d. Gaps in data

What are your main gaps in information and understanding of the impact of your policy and services? Please indicate whether you have identified ways of filling these gaps.

Gaps in data	Action to deal with this
Data in relation to the protected characteristics of race and ethnicity, religion and belief including non-belief, marriage and civil partnership, pregnancy and maternity, sexual orientation and gender re-assignment in relation to customer and consultation data.	Review how data can be improved before next year's budget analysis, including by designing in further ways to engage with communities and groups, and to consult across a wider range of protected characteristics over budget proposals.
Consultation feedback disaggregated by protected characteristics of race and ethnicity, religion and belief, sexual orientation, and gender re-assignment status.	The 2021 Census that took places asked monitoring questions for the first time, the results were made available in 2022 and will now be analysed in order to give a more detailed picture of communities which will provide improved data in relation to the protected characteristics. In addition,

	the new Equality, Diversity and Inclusion Strategy will include work to update and improve our knowledge and understanding of our diverse communities.
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Stage 6. Ways of mitigating unlawful prohibited conduct or unwanted adverse impact, or to promote improved equality of opportunity or good relations

It is important that departments engage genuinely in consultation with residents, people who use our services, partners and staff, in case they have ideas or suggestions which could help reduce or avoid adverse impacts for the people of Derbyshire or specific groups of service users.

This could be alternative ways of delivering the proposed service, seeking out other sources of funding, or the improved management of performance so that more can be gained for less, avoiding wastage or overcharging.

The process is intended not to be fixed, and the authority is required to consider ideas which might mitigate against adverse outcomes. In some cases it may be possible to identify other resources, but this may also mean that other services will need to be cut or reduced instead.

In terms of mitigating against adverse impacts arising out of these budget proposals, it is expected that each proposal will be covered by a detailed equality impact analysis and that these should, having identified in more detail, the nature of any impact, will identify and outline the proposed measures that will be taken to mitigate against unwanted and adverse impacts.

Stage 7. Do stakeholders agree with your findings and proposed response?

Consultation carried out with the public and other stakeholders did not at this stage cover specific proposals.

As proposals are worked up and made subject to consultation, more detailed and direct or targeted consultations will take place to ensure more detailed information is obtained to inform each EIA and report to Cabinet/ Council.

Stage 8. Main conclusions

The budget proposals for 2023-24 will impact directly on frontline services. The savings identified are likely to have the most direct adverse impact on older, younger and disabled people, reducing levels of service and support, especially for those with lower and medium levels of need. The proposals will also see further movement towards a position of providing statutory services and support, in which services respond or intervene to avoid safeguarding and other risks.

The areas identified within the Five-Year Plan for savings in 2023-24 will mean a likely adverse impact for:

- Older people using care and support services, which is likely to include those with higher levels of need, and people living with dementia.
- Women as service users and employees.
- Disabled people requiring support and care.
- People who may be vulnerable or subjected to abuse or harassment due to age, disability, gender, sexual orientation, gender identity, race or religion and belief.
- Groups using health and advice services commissioned by the Public Health Team (often vulnerable groups of people or people living in poorer communities).
- Potentially poorer and vulnerable people living in rural communities, including where local public and other transport may be affected.

As many of the savings are likely to be achieved by reducing staffing costs or numbers, through restructuring and service redesign, employees, especially female and older employees are expected again to be impacted, potentially in a negative way.

The nature of the list of proposed savings also limits the potential for making choices or to prioritise services, based on needs. The information available does not suggest that an exercise will take place to determine priorities or give much room for Members to reject proposals, without a need to find further savings elsewhere.

The detailed proposals will need to be subject to a more localised and focused equality impact analysis, to ensure that the detailed proposals are properly assessed, and opportunities for mitigation identified. The new Equalities, Diversity and Inclusion strategy will further develop the Council's knowledge of its communities and seek to improve and address gaps in engagement. Together these and other potential actions could enable the Council to obtain a much more detailed picture of needs and priorities in the future, including by encouraging greater participation.

Stage 9. Objectives setting/ implementation

Objective	Planned action	Who	When	How will this be monitored?
Ensuring fair decision-making, including when deciding upon detailed proposals to meet budget requirements	All detailed proposals requiring formal decision to be accompanied by a detailed equality impact analysis	All departments	As proposals made and considered	Monitoring exercise in April 2023
Ensure that affected groups and communities will have a full opportunity to consider and be consulted upon detailed proposals to aid budget implementation	All detailed proposals requiring formal decision to be accompanied by a detailed and appropriate consultation, including by consulting with groups identified as likely to experience impact.	All departments	As proposals made and prior to formal decision-making process	Monitoring exercise in April 2023
Ensure that proposals affecting employees are made available for consultation	In addition to formal consultation under policies in relation to redeployment or redundancy, proposals affecting employees are subject to consultation with affected staff and the Trade Unions	All departments	Before being finalised	Through Trade Union and management meetings

Appendix Eight

Improve participation in budget consultation	Prior to the 2023-24 budget review and revise, as necessary, the methods for consulting over the proposed budget, including by asking differently/ focusing on actual budget choices rather than Council Plan priorities	Led by Policy and Finance with department support	2023	Analysis of who takes part Redesign of consultation and more use of focus groups and community groups
Continually Improve the focus of consultation to gain better information.	Alter the approach and design of consultation on the budget to focus on likely areas where there will be proposed savings	Led by Policy and Research and Legal Services	2023	Redesign of consultation content
Improve post implementation monitoring of impact	Departments to carry out post implementation monitoring and use to feed into future decisions Development of post implementation customer surveys/ consultation.	Improvement and Scrutiny Policy and Research/ Departments	2023	I & S review of how agreed proposals implemented and monitored.

Appendix Eight

Continue to identify opportunities to improve customer and service user data to aid future analysis.	<p>Continue to develop customer segmentation, service user, and customer satisfaction and performance data.</p> <p>Review equality monitoring in light of changes to national monitoring introduced in the 2021 Census, to better enable comparison between demographic and customer data to take place.</p>	Departments Policy & Research Human Resources	2023	Evidence of improved data and understanding of impact and ability to complete cumulative impact analysis/ monitoring.
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Stage 10. Monitoring and review/ mainstreaming into business plans

Please indicate whether any of your objectives have been added to service or business plans and your arrangements for monitoring and reviewing progress/ future impact?

Departments will need to consider a range of actions which enable them to monitor the actual impacts which come out of implementing proposals and to use this learning to shape future decision making. This information will also need to be shared across the organisation so that the Council can continue to develop cumulative analysis of impacts on people with a protected characteristic.

Stage 11. Agreeing and publishing the completed analysis

Completed analysis approved by _____ on _____

Where and when published?

With report recommending adoption of budget.

Decision-making processes

Where linked to decision on proposals to change, reduce or withdraw service/ financial decisions/ large-scale staffing restructures

Attached to report (title):

Date of report: 17 January 2023

Author of report: Tina Adams - Head of Financial Management & Strategy

Audience for report e.g. Cabinet/ date: 2 February 2023

Web location of report:

Outcome from report being considered

Details of follow-up action or monitoring of actions/ decision undertaken

Updated by:

Date:

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FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET

2 February 2023

Report of the Interim Director of Finance & ICT

**Capital Programme Approvals, Treasury Management and Capital
Strategies for 2023-24**
(Corporate Services and Budget)

1 Divisions Affected

1.1 County-wide.

2 Key Decision

2.1 This is a Key Decision because it is likely to result in the Council incurring expenditure which is, or savings which are significant, having regard to the budget for the service or function concerned (this is currently defined as £0.500m).

3 Purpose of the Report

3.1 To obtain approval for proposals for submission to Council relating to the Capital Starts Programme for 2023-24 and the Treasury Management, Investment and Capital Strategies.

3.2 This report should be read alongside the following reports to this Council meeting: the Reserves Position and Reserves Policy Report, the Budget Consultation Results Report for 2023-24 and the Revenue Budget Report 2023-24.

4 Information and Analysis

- 4.1 In line with previous years, the proposed new Capital Starts Programme for 2023-24 has been evaluated and it is recommended to proceed with new borrowing of £13.050m (excluding invest to save schemes). The detailed proposals are set out in Appendix Two of this Report.
- 4.2 A detailed list of the Planned Maintenance Programme of £2.000m for 2023-24 is set out in Appendix Three of this Report.
- 4.3 The Treasury Management Strategy Report for 2023-24 (Appendix Four) sets out the Council's management of its cash flow, borrowing and investments and the management of its associated risks.
- 4.4 The Investment Strategy Report for 2023-24 (Appendix Five) deals with the management of the Council's balances and reserves, managing the balance between risk and return.
- 4.5 The Capital Strategy for 2023-24 (Appendix Six) provides a high-level overview of how capital expenditure and capital financing contribute to the provision of local public services.

5 Consultation

- 5.1 No consultation is required.

6 Alternative Options Considered

- 6.1 N/A – the Council is required to have an approved new Capital Starts Programme, and to adopt a Treasury Management Strategy, an Investment Strategy and a Capital Strategy each year. Not producing a Capital Programme Approvals, Treasury Management and Capital Strategies report would be contra to the Council's Financial Regulations and other legislation and statutory guidance.

7 Implications

- 7.1 Appendix One sets out the relevant implications considered in the preparation of the report.

8 Background Papers

- 8.1 Not applicable.

9 Appendices

- 9.1 Appendix One – Implications.
- 9.2 Appendix Two – New Capital Starts Programme for 2023-24.

- 9.3 Appendix Three – Planned Maintenance Programme for 2023-24.
- 9.4 Appendix Four – Treasury Management Strategy Report for 2023-24.
- 9.5 Appendix Five – Investment Strategy Report for 2023-24.
- 9.6 Appendix Six – Capital Strategy for 2023-24.

10 Recommendations

That Cabinet recommends to Council that it:

- 10.1 Approves the new Capital Starts Programme for 2023-24 set out in Appendix Two and approves the procurement and award of contracts which support the delivery of the Capital Programme. All contract awards will then be subject to approval by Executive Directors (via an Executive Director Report) under the relevant Departmental Scheme of Delegation.
- 10.2 Approves the detailed Planned Maintenance Programme for 2023-24 as set out in Appendix Three.
- 10.3 Adopts the Treasury Management Strategy for 2023-24 set out in Appendix Four.
- 10.4 Adopts the Investment Strategy for 2023-24 set out in Appendix Five.
- 10.5 Adopts the Capital Strategy for 2023-24 set out in Appendix Six.

11 Reasons for Recommendations

- 11.1 The Council is committed to ensuring good financial management and compliance with applicable laws and regulations.
- 11.2 Government places controls on the financing capacity of the Council. This means that capital expenditure should form part of a programme, should be carefully prioritised in order to comply with the Council Plan, maximise the benefit of scarce resources and comply with *CIPFA's Prudential Code for Capital Finance in Local Authorities (2021)*. The Council's Financial Regulations require that Cabinet will make recommendations on the capital estimates and on any associated financing requirements to Council. The programme will then be approved by Council in February each year.
- 11.3 Treasury Risk Management at the Council is conducted within the framework of CIPFA's "*Treasury Management in the Public Services: Code of Practice 2021 Edition*" (the CIPFA Code) which requires the

Council to approve a Treasury Management Strategy before the start of each financial year. This report documents the proposed Treasury Management Strategy and requests that Cabinet recommends to Council that it adopts it. This will fulfil the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code and also will assist with the requirements in the Council's Financial Regulations, which require that the borrowing and investments of the Council should be arranged in such a manner so as to comply with the CIPFA Code of Practice on Treasury Management.

- 11.4 Statutory guidance issued by Government in January 2018 requires that the Council adopts an Investment Strategy, focusing on service investments, where the Council uses its money to support local public services by lending to or buying shares in other organisations, and on commercial investments, where the Council uses its money specifically to earn investment income and this is the main purpose of the investment. This report documents the proposed Investment Strategy and requests that Cabinet recommends to Council that it adopts the Investment Strategy.
- 11.5 The Council's Financial Regulations require that a Capital Strategy is prepared and reported to Cabinet. This report documents the proposed Capital Strategy and requests that Cabinet recommends to Council that it adopts the Capital Strategy.
- 11.6 The Council Plan values commit to spending money wisely, making the best use of the resources that the Council has.

12. Is it necessary to waive the call in period?

12.1 No

Report Authors:

Eleanor Scriven
Wendy Round
Jon Clarke
Tina Adams

Contact details:

eleanor.scriven@derbyshire.gov.uk
wendy.round@derbyshire.gov.uk
jon.clarke@derbyshire.gov.uk
tina.adams@derbyshire.gov.uk

Implications

Financial

- 1.1 The proposed new Capital Starts Programme for 2023-24 has been evaluated and it is recommended to proceed with new borrowing of £13.050m (excluding invest to save schemes). The detailed proposals are set out in Appendix Two of this Report. A detailed list of the Planned Maintenance Programme of £2.000m for 2023-24 is set out in Appendix Three of this Report. The Treasury Management Strategy Report for 2023-24 sets out the Council's management of its cash flow, borrowing and investments and the management of its associated risks at Appendix Four. The Investment Strategy Report for 2023-24 at Appendix Five deals with the management of the Council's balances and reserves, managing the balance between risk and return. The Capital Strategy for 2023-24 is at Appendix Six and provides a high-level overview of how capital expenditure and capital financing contribute to the provision of local public services.

Legal

- 2.1 By virtue of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 Cabinet and Council are responsible for formulating plans or strategies for the control of the Council's borrowing, investments or capital expenditure or for determining the Council's minimum revenue provision.
- 2.2 The Constitution makes it clear the 'budget' includes the allocation of financial resources to different services and projects, proposed contingency funds, the Council Tax base, setting the Council Tax and decisions relating to the control of the Council's borrowing requirement, the control of its capital expenditure and, if required, the setting of virement limits different to those in Financial Regulations.
- 2.3 The process by which the budget shall be developed and approved, including the strategies set out in this report, is detailed in the Budget and Policy Framework Procedure Rules at Appendix 7 to the Constitution.
- 2.4 The Director of Legal and Democratic Services will provide specific advice as required in relation to individual projects and strategies

Human Resources

- 3.1 None

Information Technology

4.1 None

Equalities Impact

5.1 None.

Corporate objectives and priorities for change

6.1 The Council Plan values commit to spending money wisely, making the best use of the resources that the Council has.

6.2 The Council is committed to ensuring good financial management and compliance with applicable laws and regulations.

Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

7.1 None

Capital Programme 2023-24

- 1.1 The proposed new starts programme for 2023-24, along with funding streams, as shown in Table 1, has been evaluated and it is recommended to proceed with new borrowing of £13.050m (excluding invest to save schemes). More details on each individual scheme are set out below.
- 1.2 Schemes within the capital programme are usually funded from a combination of Government grants, capital receipts, borrowing, use of reserves and contributions from revenue budgets.
- 1.3 The Council is continuing to follow the same approach as in previous years and substituting revenue contributions with borrowing and any available capital receipts. This assists the Council in preserving its revenue funds and enables it to provide flexibility in managing its budget reductions.
- 1.4 The Council is also maintaining its financing policy of prioritising funding sources by using available grant in preference to undertaking any borrowing. This assists the Council in ensuring that it maximises the use of its available resources.
- 1.5 Capital receipts are used to support the overall programme and are in the region of £2.000m-£3.000m per year. The Council is currently reviewing its approach to property and asset management through a process of 'asset challenge' by way of rationalisation and Modern Ways of Working, in alignment with both the Council Plan and the Council Service Plans. This should provide the potential to increase capital receipts and assist with future funding of the programme. However, where it is a statutory regulation that sales proceeds must be used to improve sports or educational facilities then the receipt from the disposal of the 'old' asset must be earmarked to fund the replacement. Subsequently it is expected that future programmes will be able to use more available capital receipts to release both the burden on borrowing and revenue reserves through reduced debt charges.
- 1.6 The Capital Programme remains affected by the downward pressure on the Council's finances, with the main limiting factor being the Council's ability to undertake capital expenditure and whether there is the revenue resource available to support, in full, the implications of capital expenditure, both borrowing costs i.e. servicing the debt, and running costs, after allowing for any support provided by Central Government, which is now mainly through capital grants. Consequently, borrowing this year is currently being kept to a minimum, not only due to the wider revenue implications but also due to increased interest rates which would place a larger burden on revenue through increased debt

charges. However, the Council still needs to ensure that it meets its statutory obligations, which will in turn assist in delivering on the Council Plan.

- 1.7 The Council will receive estimated Government grants of almost £287m to address key issues in highways and maintenance, develop integrated transport schemes and major regeneration schemes. It will address the most immediate building condition issues in schools and cover funding gaps to assist in providing additional school places in the building of new schools in response to major housing developments and also in the phased replacement of schools that have ageing buildings and are high on the buildings at risk register. It will also assist in ensuring that those children requiring special educational needs and disabilities (SEND) can access the support they require, as determined by the SEND review.
- 1.8 Funding has also been made available, as in previous years, to provide financial assistance for disabled people requiring major adaptations to their accommodation, together with providing funding to replace digital assistive technology in client homes.
- 1.9 As in previous years, to address some of the backlog on other Council properties and reduce the burden on revenue funding of Capital works, a Corporate bid has been submitted again as part of a long-term strategy to targeting the Council's backlog.
- 1.10 This year's programme includes three bids to assist in addressing climate change. These include developing a solar farm and assessing energy usage within Corporate Property buildings and Derbyshire Schools. The Council is committed to achieving Net Zero for the corporate estate by 2032 or sooner and meeting its Carbon Zero target by 2050. The development of a solar farm will provide renewable energy, which will offset residual energy use elsewhere. These projects will move the estate closer to becoming Carbon Zero, reducing running costs and providing revenue savings.

Table 1: Capital Programme Bids 2023-24

Funding Streams	Grant	Borrowing	Invest to Save	Total
	£m	£m	£m	£m
Adult Social Care & Health				
Assistive Technology		1.250		1.250
Disabled Facilities Grant (DFG) Adaptations	7.800	2.750		10.550
Children's Services				

Basic Need (allocation for 2023-24/2024-25)	21.203			21.203
Carbon Reduction in Maintained Derbyshire Schools			4.000	4.000
Devolved Formula Capital	1.679			1.679
Gate Keeper's Lodge, Lea Green		0.500		0.500
Schools Access Initiative		0.800		0.800
School Condition	10.306			10.306
SEND – High Needs	6.848			6.848
Corporate Services and Transformation				
Carbon Reduction Projects within Corporate Buildings			6.000	6.000
Data Centre Refurbishment		1.500		1.500
Fire Mitigation		0.500		0.500
Kitchen Ventilation Schemes		0.500		0.500
Planned Maintenance Programme		2.000		2.000
Solar Farm			3.750	3.750
Place				
Chesterfield Staveley Regeneration Route	156.000			156.000
Household Waste Recycling Centre (HWRC) Asset and Infrastructure Improvements		2.000		2.000
Local Transport Plan	27.200			27.200
Replacement Countryside Service Base – Stockley Farm		0.750		0.750
South Derby Growth Zone	55.600			55.600
Contingency				
Contingency		0.500		0.500
TOTAL	286.636	13.050	13.750	313.436

2 Summary of Individual Schemes

2.1 Adult Social Care and Health

Assistive Technology £1.250m

The project is to replace analogue Assistive Technology equipment in clients' homes with digital hardware.

Disabled Facilities Grant £10.550m

Disabled people requiring major adaptations to their accommodation are able to apply for a Disabled Facilities Grant (DFG) administered by District Councils. The DFG is mandatory if the applicant is unable to access essential facilities within their home. The County Council has a duty to identify suitable works based upon an assessment of individual needs: however, the decision to approve the grant lies with the relevant District Council.

The DFG process is prescribed by legislation and regulations and requires that applicants are subject to a Test of Resources (means test). The means test only looks at an applicant's income and does not take account of their outgoings or personal circumstances. There are three possible outcomes for applicants: a grant to cover the cost of the work (up to a maximum of £30,000), a grant to cover part of the work with the requirement that the applicant meets the remaining costs, or the grant application is deemed ineligible as the applicant is assessed to be able to meet all the costs of the work.

The decision on DFG funding is the responsibility of the relevant District Council. However, the County Council, as part of its legal duties under the Chronically Sick and Disabled Peoples Act (1970) s2(1)(e), is required to consider providing financial assistance where:

- 1) the applicant requests assistance towards their assessed contribution due to financial hardship and/or
- 2) that the costs of the work assessed as being necessary are above the current £30,000 DFG limit and the applicant appears to be unable to meet the additional costs.

2.2 Childrens Services

Basic Need £21.203m

The Department for Education (DfE) grant allocation for Basic Need schemes is to provide additional school places in areas of population growth. Based on analysis of pupil projections, feasibility studies have been undertaken. Funding will be allocated from a priority list of potential projects.

Carbon Reduction in Maintained Schools £4.000m

There are 239 schools still under the control of the Council for maintenance. Given that the Council has a target of achieving Carbon Zero by 2050, it is critical to start to address the schools estate. This project will survey those schools in the lowest energy performance category and those using oil for their central heating and will deliver schemes that will start to convert the estate over to a position of Carbon Zero.

Devolved Formula Capital £1.679m

DfE Grant funding for individual schools to cover the cost of upgrading and maintaining accommodation in line with school asset management plans controlled by individual schools. This capital grant gives all schools money to

invest in their buildings, grounds and ICT equipment in order to improve educational standards.

Gate Keeper's Lodge at Lea Green £0.500m

There is an increasing demand for emergency placements for children on the edge of care or in a crisis. The Council is short of such places and on occasion resorts to the use of unregulated premises such as hotels. This is not in the best interest of the vulnerable young people, particularly as they are in crisis and vulnerable. The project in the Gate Keeper's Lodge at Lea Green will provide a dedicated facility under the control of the Council to provide places at short notice.

Schools Access Initiative £0.800m

Improving access into Derbyshire schools for children with disabilities by providing reasonable adjustments to school buildings and ensuring compliance with The Equality Act. These works also ensure vulnerable children can access mainstream education.

School Condition Allowance £10.306m

DfE Grant funding to cover the cost of upgrading and maintaining the condition of school accommodation to suit the needs of education in Derbyshire. Projects funded on school buildings where the condition is poor include re-roofing, replacement windows and doors, re-heating and re-wiring. A priority list of potential projects will be finalised once the actual grant figure is known.

School Condition Allowance allows for only the most serious condition related issues to be addressed given that the Council has a backlog of school condition expenditure.

SEND (Special Educational Needs) – High Needs Capital Allocation £6.848m

The allocation from the DfE is for the creation of High Needs places or the improvement of existing provision (for pupils with SEND or requiring alternative provision) at special schools, maintained schools and alternative provision. Funding will be allocated in line with the priorities determined in the SEND Review. The provision of places for pupils with High Needs is a statutory duty for the Council.

2.3 Corporate Services and Transformation

Carbon Reduction Projects within Corporate Buildings £6.000m

The Council is committed to achieving Net Zero for the Corporate estate by 2032 or sooner. To achieve this, the Council needs to reduce the energy use associated with property. The proposed Capital Programme targets the first 34 buildings to receive priority improvement measures by:

- Microgeneration on Site – primarily by installing photo-voltaic panels.

- Active Energy Management – installing sensors which monitor operational energy use and communicate live data to Energy Managers.
- Retrofits – measures to install more energy efficient systems and upgrade thermal insulation.

Microgeneration of Energy on Site – by installing photo-voltaic (pv) panels this reduces the demand on grid. The estimated payback period for pv installations is approximately twelve years.

Active Energy Management requires the installation of remote monitoring kit to provide live energy consumption data, which will enable managers to identify improvement measures and eliminate waste. The estimated payback period is eight years assuming a 5% energy efficiency improvement.

Retrofits include the installation of more energy efficient lighting, improved controls on heating and lighting, or additional thermal insulation. Altogether the proposed measures will save the equivalent of 450 tonnes of carbon emissions.

The UK has a legal obligation to achieve Net Zero by 2050 although this legal obligation has not yet been directly cascaded to local authorities and others. Local authorities including the Council are aligned in terms of policy and objectives. The requirement to achieve Net Zero will become binding at some point and it would be relatively simple to extend the scope of the Regulations on Minimum Energy Efficiency Standards (MEES) which currently relate to leased out properties only, to require that these standards apply to all public buildings.

Data Centre Refurbishment £1.500m

The Council has two data centres based at County Hall, Matlock and Shand House, Darley Dale, which support most of the Council's ICT systems, including the major in-house computer, storage, network and corporate telephony system used throughout the Council. The main components of the data centres are the virtual servers that host over 250 of the Council's ICT systems, including the storage area network that securely stores the Council's data and provides connectivity for over 230 Council premises. Many of the components are reaching the end of their life and will require replacing over the next 24 months. Although the footprint of the data centres are likely to be smaller than they are now, as a result of a hybrid/cloud strategy, there is still the need for an on-premises data centre to host and support the delivery of services. As the Council's infrastructure is a key enabler to the delivery of Council services, transformation programmes and employees undertaking their day-day duties, this investment will assist in providing the performance and reliability required.

Fire Mitigation £0.500m

To fund the continuation of a planned programme of fire risk mitigation works in Council premises, including schools, where the Council has a duty of care to its employees to ensure they have safe environments to work in.

Under The Regulatory Reform (Fire Safety) Order 2005 the Council is required to undertake fire risk assessments on its building portfolio. These consist of operational assessments by establishment managers and technical assessments by property professionals in Corporate Property. Technical assessments consider the building components, the means of escape, the suitability of compartmentation and warning systems and equipment, etc. Assessments are carried out against an established programme, agreed with the Derbyshire Fire & Rescue Service, to identify and improve the building form/fabric to a suitable standard. The Council's ongoing survey programme has identified the need for further funding to address these works.

Kitchen Ventilation Schemes £0.500m

The Kitchen Ventilation Replacement Programme has been ongoing for a number of years and is to fund investment in kitchen ventilation systems in respect of both gas and electric kitchens across a range of the Council's Corporate and School buildings, across the County, to ensure statutory compliance in meeting The Gas Safety (installation & use) Regulations 1998 and reduce corporate risk for the Council.

Detailed surveys are required to inform and become the basis of a new priority-based strategy for ventilation and extraction systems across the County. It is envisaged that this will result in the replacement of out-of-date equipment across all sites and the introduction of additional equipment or an alternative delivery system to provide greater monitoring and safety controls at each site and provide greater resilience in performance of the systems.

This will require the appointment of a specialist contractor/consultant to undertake detailed surveys, a Design Engineer/Project Manager/Consultant to oversee the design, procurement and implementation of the project, and the upgrade/replacement of equipment across the County, resulting from the detailed surveys and recommendations.

An estimated cost of £0.500m has been determined for the proposed works based on the knowledge of Property professionals; however, detailed costs will be developed as part of the specialist report and the individual items of work.

Planned Maintenance Programme £2.000m

The Council's quinquennial (every five years) building condition surveys have highlighted significant building improvements that require redress to ensure the continued use of buildings, as well as safety, to building occupants and members of the public. The Planned Maintenance Programme being funded from borrowing will reduce the burden placed upon the Corporate Maintenance Budget, which covers reactive maintenance and repairs previously funded by the Planned Maintenance Programme.

The limited funding available from the corporate maintenance budget for the Planned Maintenance Programme was only able to fund the highest priority work. Meanwhile, reactive day to day maintenance was limited to emergency

only repairs as the budget was insufficient to meet demand. The introduction of the Corporate Buildings Capital Investment Programme in 2021-22 increased the funding capacity to address the condition and suitability of Council buildings and increased the availability of revenue funding to respond to repairs and maintenance, allowing the restriction of emergency repairs only to be lifted. The Planned Maintenance Programme is designed to target essential capital improvements to address building suitability and condition, in line with the Asset Management Framework.

The apportioning of budget from the Corporate Maintenance Budget to fund the Planned Maintenance Programme reduced the Revenue Budget available, compounding the issue of the Council's maintenance liabilities as the Council lacked funding to undertake essential repairs and maintenance as well as priority work for life-expired building elements. The Planned Maintenance Programme funding from borrowing provides a long-term capital investment strategy for the Council's Corporate buildings, improving building suitability and condition, thus reducing the Council's maintenance liabilities and maintenance deficit.

A detailed list of the Planned Maintenance Programme of £2.000m for 2023-24 is set out in Appendix Three of this Report.

Solar Farm £3.750m

The Council is committed to achieving Net Zero for the Corporate estate by 2032 or sooner. The proposal is to develop Solar Farms to generate energy from renewables which will offset residual energy use elsewhere, including energy use associated with Corporate buildings. Fifteen sites for potential development as Solar Farms have been reviewed in 2022. Four sites have been identified as priority sites for development, however there are problems in securing the necessary grid connection for the other sites. This site at Williamthorpe Country Park has a guaranteed connection, and planning permission was secured in 2015. The proposed capital bid will allow the Council to progress the project and resubmit for planning approval. Subject to approvals it is then proposed to develop this site by April 2025. Dialogue with planners and the appointment of consultants is to commence in May 2023. Full planning approval is expected by December 2023, with the procurement approval process commencing in January 2024, and orders expected to be placed in August 2024. The estimated budget is based on a current quotation for the grid connection and estimated figures provided by the Association for Public Service Excellence (APSE).

2.4 Place

Chesterfield Staveley Regeneration Route £156.000m

The Chesterfield-Staveley Regeneration Route is a major intervention bringing about substantial housing and employment benefits alongside community and environmental improvements along the A619 corridor through Brimington and Staveley in Derbyshire.

Household Waste Recycling Centre (HWRC) Asset and Infrastructure Improvements £2.000m

This bid seeks funding to upgrade and improve the buildings, hardstanding and structures at the Household Waste Recycling Centres in Derbyshire. The sites receive over one million visitors each year. These facilities have not been upgraded for over fifteen years. A new contract to manage the sites commenced on 3 October 2022 for a minimum term of seven years. To avoid bidders speculating and over pricing these improvements to the detriment of the public purse, tenderers were only asked to submit site management prices excluding the asset and infrastructure improvements that are needed. At the start of the new contract in October 2022, detailed site condition surveys will be undertaken by the contractor. The Council will review and consider the improvements required and, using capital borrowing, ensure that monies are spent wisely and at more attractive borrowing rates than would have occurred if the contractor had undertaken the works.

Local Transport Plan £27.200m

The Local Transport Plan grant funds the Council's Highway Maintenance Capital Programme and is therefore fundamental to retaining highway assets in good condition. It also supports road safety schemes and those to encourage walking, cycling and public transport.

Replacement Countryside Service Base – Stockley Farm £0.750m

The Countryside Service currently operates from a Ranger post in the Constabulary Building in Clay Cross. The building is not fit-for-purpose as a Ranger post, suffering from damp and offering little to no welfare facilities such as a shower, separate personal welfare facilities, or drying space. The Service also has materials, equipment and vehicles stored at Stonegravels depot in Chesterfield and Brimington Cemetery Chapel of Rest at Brimington. Travel mileage/cost (and therefore emissions) and staff time needed to travel between all three locations present considerable efficiency deficits for the team. This building is required for other uses to deliver the Clay Cross Town Fund Deal project, of which the Council is a corporate partner. Current projections are that the Countryside Service needs to vacate its Ranger post in the Constabulary Building as early as summer 2023, in order for the Town Fund Deal project to progress as planned.

An opportunity for relocating the Countryside Service team in Clay Cross has recently arisen. The Service is shortly due to receive a farm cottage back into its operational asset portfolio at the end of a Farm Business Tenancy, and the geographical location of this cottage and its situation within an existing Countryside asset make it suitable for the potential creation of a new consolidated Ranger post. Considerable efficiency savings could be achieved for this Countryside team by basing all staff, vehicles, plant and materials in one single location. A feasibility study is shortly due to be commissioned by Concertus Derbyshire Ltd (CDL), to ascertain the suitability of the property to become a replacement Ranger post. A bid for funding support from the Feasibility Study funding pot will be made to support this work. Also, due to

the timescales outlined above, it is necessary to make an indicative submission for capital borrowing investment for 2023-2024, which would be required to deliver a project to create a new Ranger post at the cottage and its associated outbuildings. This work would include Planning consent, design costs as well as any delivery works to convert the building. An initial bid of £0.750m, as outlined above, could be amended once the feasibility study has been completed by CDL.

A capital receipt for the Constabulary Building may be possible, should the building be sold to enable the Clay Cross Town Fund project to go ahead. Should the building not be required for the Town Fund project it is likely that the building would be sold on the open market and as such has been independently valued at £0.175m.

South Derbyshire Growth Zone £55.600m

The project comprises enabling infrastructure for the South Derby Growth Zone which sits within the Council's identified regeneration programme and supports up to 4,500 homes within the Infinity Garden Village, alongside employment opportunities. It enjoys the support of grant from the Levelling Up Fund.

2.5 Contingency

Contingency £0.500m

The contingency sum is for unforeseen additional costs/essential works which may arise during 2023-24.

2.6 Other Recommendations

That Cabinet recommends to Council that it approves the procurement and award of contracts which support the delivery of the Capital Programme. All contract awards will then be subject to approval by Executive Directors (via an Executive Director Report) under the relevant Departmental Scheme of Delegation.

Planned Maintenance Programme
2023-24

UPRN	Site	Works	Budget
1591-01-01	Ripley Library & Office	Heating system upgrade	£35,000
2778-01-07	Lea Green Centre	Pitched roof replacement including insulation	£100,000
2174-01-01	17 & 19 Salisbury Avenue	External cladding upgrade including soffits and fascias	£30,000
4108-01-03	Community House	Timber window/door replacement upgrade	£150,000
2800-01-01	112 & 113 Nottingham Road Borrowash	New central heating system	£17,000
1862-01-01	New Mills Library	Complete rewire upgrade	£45,000
3683-01-01	Peak Lodge	New drainage & tarmac hardstanding replacement	£70,000
1715-01-01	Victoria Street Family Centre	Upgrade heating system/boiler	£35,000
2694-01-04	Shipley Country Park Visitors Centre – Derby Lodge	Complete rewire upgrade	£12,000
1867-01-01	Brimington Hostel	New suspended ceiling & lighting upgrade	£40,000
2301-01-01	The Elms	Renew fascias /soffits & rainwater goods	£30,000
1056-01-01	Queens Court Day Centre	New ventilation system installation	£25,000

2694-01	The Old Post House Family Centre	Pitched roof recover	£75,000
3374-01-14	Shipley Park Nottingham Lodge	Replacement septic tank and new pipework	£30,000
2778-01-01	Lea Green Centre	Phase 2 Pitched roof re-cover & insulation	£350,000
1715-01-01	Victoria Street Family Centre	New internal suspended ceiling / insulation LED lighting	£50,000
1233-02-01	Etwall Primary School House	Complete rewire upgrade	£12,500
1647-01-01	Whitestones HOP	Phase 1 En-suite bathroom replacement	£120,000
2865-01-01	Brimington Library	Window replacement upgrade	£80,000
3461-01-01	Swadlincote Learning Centre	Window replacement upgrade	£100,000
4109-01-01	Fairfield Community Centre	Cladding and roofing replacement	£250,000
3630-01-01	Ilkeston Adult Education Centre	Phase 3 Window/Door replacement upgrade	£80,000
3535-01-01	Shand House	Window/Door replacement upgrade	£25,000
3374-01-01	The Hunloke Centre	Window/Door replacement upgrade	£80,000
		Contingency	£158,500
		TOTAL	£2,000,000

Treasury Management Strategy Report 2023-24

1 Introduction

- 1.1 Treasury Management is the management of the Council's cash flows, borrowing and investments and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks, including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk is therefore central to the Council's prudent financial management.
- 1.2 Treasury Risk Management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's "*Treasury Management in the Public Services: Code of Practice 2021 Edition*" (the CIPFA Code) which requires the Council to approve a Treasury Management Strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 1.3 Investments held for service purposes or for commercial profit are considered in the Investment Strategy (Appendix Five).

2 External Context

Economic background

- 2.1 The ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain Government policy, and a deteriorating economic outlook, are major influences on the Council's Treasury Management Strategy for 2023-24.
- 2.2 The Bank of England (BoE) increased its Bank Rate by 0.5% to 3.5% in December 2022. This followed a 0.75% increase in November 2022, which was the largest single rate increase since 1989 and the ninth successive rise since December 2021.

- 2.3 The November 2022 quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK, with Consumer Price Index (CPI) inflation remaining elevated at over 10% in the near-term. Whilst the projected peak of inflation is lower than in the August 2022 MPR, due in part to the Government's support package for household energy costs, inflation is expected to remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.
- 2.4 The UK economy contracted by 0.3% between July and September 2022 according to the Office for National Statistics (ONS), and the BoE forecasts that Gross Domestic Product (GDP) will decline by 0.75% in the second half of the calendar year because of the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and in the first half of 2024.
- 2.5 CPI inflation peaked at 11.1% in October 2022 before falling to 10.7% in November 2022. Inflation is forecast to fall below the 2% target within two years.
- 2.6 The forecast peak in Bank Rate has been revised from a market implied 5.25% down to 4.50%, following BoE comments that it considered the original path to be too high, suggesting that the peak in interest rates will be lower.
- 2.7 The labour market remains tight, although the December 2022 figures show the unemployment rate rising by 0.1% to 3.7%. Employment increased by 0.2% to 75.6%, which is still lower than pre-pandemic levels. Earnings were up by a (non-pandemic) record of 6.1% for regular pay but after factoring in inflation this means that real regular pay contracted by -2.7%. Looking forward, the November 2022 MPR shows that the labour market is weakening in response to the deteriorating outlook for growth, leading to a forecast rise in unemployment rate of around 6.5% in 2025.
- 2.8 Interest rates have also been rising sharply in the US, with the Federal Reserve increasing the range on its key interest rate by 0.75% in November 2022 to 3.75%-4.00%, and by 0.50% in December 2022 to 4.25%-4.50%. This rapid pace of increases has seen interest rates increase from 0.25%-0.50% back in March 2022. The US annual inflation rate fell from 7.7% in October 2022 to 7.1% in November 2022. US GDP grew at 3.2% in the third quarter of 2022, following a 0.6% fall in the second quarter. A recession in the region is widely expected at some point during 2023.

- 2.9 Inflation has been rising consistently in the Euro Zone since the start of 2022, hitting an annual rate of 10.6% in October 2022, before falling to 10.1% in November 2022. Economic growth has been weakening, with an expansion of just 0.2% in the third quarter of 2022, down from 0.7% in the second quarter. As with the UK and US, the European Central Bank has been on an interest rate tightening cycle, pushing up its three key interest rates by 0.75% in November 2022 and by 0.5% in December 2022, the third and fourth major increases in a row, taking its main refinancing rate to 2.50% and deposit facility rate to 2.0%.

Credit outlook

- 2.10 Credit default swap (CDS) prices have followed an upward trend throughout 2022, indicating higher credit risk. They have been boosted by the war in Ukraine, increasing economic and political uncertainty and a weaker global and UK outlook, but remain well below the levels seen at the beginning of the Covid-19 pandemic.
- 2.11 CDS price volatility was higher in 2022 compared to 2021 and the divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities has emerged once again.
- 2.12 The weakening economic picture during 2022 led the credit rating agencies to reflect this in their assessment of the outlook for the UK Government as well as several local authorities and financial institutions, revising them downwards, from stable to negative.
- 2.13 There are competing tensions in the banking sector which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions in many regions increase the possibility of a deterioration in the quality of banks' assets, whilst higher interest rates provide a boost to net income and profitability.
- 2.14 However, the institutions on the counterparty list of the Council's Treasury Management Adviser (Arlingclose) remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast

- 2.15 The Council's Treasury Management Adviser, Arlingclose, forecasts that Bank Rate will continue to increase in 2023 as the BoE attempts to subdue inflation, which is significantly above its 2% target.

- 2.16 Whilst future interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the forecast horizon despite looming recession. The Council's Treasury Management Adviser expects the Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near- and medium-term to the upside should inflation not evolve as the BoE forecasts and remain persistently higher.
- 2.17 Yields are expected to remain broadly at current levels over the medium-term, with 5-, 10- and 20-year gilt yields expected to average around 3.5%, 3.5%, and 3.85% respectively over the 3-year period to December 2025. The risks for short, medium and longer-term yields are judged to be broadly balanced over the forecast horizon. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.
- 2.18 A more detailed economic and interest rate forecast provided by Arlingclose is included at Appendix A to this Treasury Management Strategy Report 2023-24.
- 2.19 For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate/yield of 3.50% (Base Rate), and that new long-term loans will be borrowed at an average rate of 4.70% based upon a 40 year maturity loan.

3 Local Context

- 3.1 On 31 December 2022, the Council held £486.079m of borrowing and £379.118m of investments. This is set out in further detail at Appendix B to this Treasury Management Strategy Report 2023-24. Forecast changes in these sums are shown in the balance sheet analysis in Table 1 below.

Table 1: Balance sheet summary and forecast

	31.3.22 Actual £m	31.3.23 Forecast £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m
General Fund CFR	571.297	633.457	738.837	766.257	779.027
Less: Other debt liabilities*	-59.981	-55.187	-58.832	-54.572	-50.154
Loans CFR	511.316	578.270	680.005	711.685	728.873
Less: Long Term External borrowing**	-285.899	-265.579	-259.174	-256.429	-256.429
Less: Short Term External borrowing **	-127.500	-189.000	-38.000	0.000	0.000
Internal borrowing	97.917	123.691	382.831	455.256	472.444
Less: Usable reserves***	-388.006	-267.889	-221.366	-203.056	-188.435
Less: Working capital	-90.669	-90.669	-90.669	-90.669	-90.669
New Borrowing (or Treasury investments)	-380.758	-234.867	70.796	161.531	193.340

* Finance lease and PFI liabilities that form part of the Council's total debt.

** Shows only loans to which the Council is committed and excludes optional refinancing.

*** Excluding earmarked reserve arising from adjustment of modified loans balances on adoption of IFRS 9. This was a non-cash adjustment, therefore did not affect resources available to invest/ reduce borrowing.

- 3.2 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). Usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. As a result of the Council using its cash balances for internal borrowing and also using its cash-backed available reserves to support the Revenue Budget in recent years, the Council has a decreasing level of cash.

- 3.3 Whilst ever internal borrowing is possible, the benefits of continuing to do so will continue to be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to continue to rise. The Council will monitor this 'cost of carry' and breakeven analysis. However, there is the additional possibility that cash reserves will run low in the next twelve months and the Council will have to consider additional borrowing. Borrowing at long-term fixed rates would cause additional cost in the short-term but could keep future interest rates low if interest rates are forecast to continue to rise.
- 3.4 The Council has an increasing CFR as a result of its Capital Programme. As the Council continues to use internal borrowing to fund capital expenditure, investments are forecast to fall to £234.867m by 31 March 2023. The Council is forecast to use all these investments and require additional borrowing of £70.796m by 31 March 2024, however, in reality, slippage of approximately 25% to 35% of the capital programme is to be expected based on past experience.
- 3.5 CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during 2023-24.

Liability benchmark

- 3.6 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as Table 1 above, but that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.
- 3.7 The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Table 2: Liability benchmark (Prudential indicator)

	31.3.22 Actual £m	31.3.23 Estimate £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m
Loans CFR	511.316	578.270	680.005	711.685	728.873
Less: Useable reserves	-388.006	-267.889	-221.366	-203.056	-188.435
Less Working Capital	-90.669	-90.669	-90.669	-90.669	-90.669
Plus: Minimum investments*	10.000	10.000	10.000	10.000	10.000
Liability benchmark	42.641	229.712	377.970	427.960	459.769

* This is the liquidity allowance under MIFID II, which is a legislative framework instituted by the European Union to regulate financial markets and improve protections for investors, aiming to standardise practices across the EU and restore confidence in the industry.

- 3.8 Following on from the medium-term forecasts in Table 1 above, the long-term liability benchmark assumes capital expenditure funded by additional borrowing of £70.796m in 2023-24, £161.531m in 2024-25 and £193.340m in 2025-26 and a minimum revenue provision on new capital expenditure based on a 40-year asset life and income, expenditure and reserves all increasing by inflation of 2.5% a year. In reality, there is likely to be some slippage of the capital programme.

4 Borrowing Strategy

- 4.1 The Council currently holds £486.079m of loans, an increase of £72.680m on the previous year end, as part of its long-term strategy for funding previous years' capital programmes and short-term operational cash-flow management. The balance sheet forecast in Table 1 shows that the Council expects to significantly reduce its short-term borrowing in 2023-24. Short-term borrowing in 2022-23 includes £56.494m of temporary borrowing used to fund the Council's prepayment of Local Government Pension Scheme (LGPS) employer pension contributions in 2022-23. The Council is not prepaying LGPS employer pension contributions in 2023-24. Some of this reduction will have to be replaced by long-term borrowing, although further short-term borrowing is an option whilst long-term borrowing rates remain elevated. The Council may however borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £748m (General Fund CFR £680.005m x 110%).

- 4.2 The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Strategy

- 4.3 Given the continued uncertainty of future local government funding, the Council's borrowing strategy continues to address the key issue of affordability, without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, where available, or to borrow short-term loans instead, although because of changing interest rates this is much less advantageous than it was in 2022-23.
- 4.4 By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs, by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2023-24 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 4.5 The Council has previously raised the majority of its long-term borrowing from the Public Works Loan Board (PWLB) but will consider long term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding, in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to avoid this activity in order to retain its access to HM Treasury's PWLB lending facility.
- 4.6 Alternatively, the Council may arrange forward starting loans during 2023-24, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
- 4.7 In addition, the Council may borrow further short-term loans to cover unplanned cash flow shortages.

Sources of borrowing

4.8 The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Loans Works Board).
- Any institution approved for investments (see below).
- Any other bank or building society authorised to operate in the UK.
- Any other UK public sector body.
- UK public and private sector pension funds (except Derbyshire Pension Fund).
- Capital market bond investors.
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues.
- D2N2 Local Economic Partnership.

Other sources of debt finance

4.9 In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Leasing.
- Hire purchase.
- Private Finance Initiative.
- Sale and leaseback.

Municipal Bonds Agency

4.10 UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Cabinet.

LOBOs

- 4.11 The Council holds £5.000m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. £5.000m of these LOBOs have options during 2023-24 and with interest rates having risen recently, there is now a reasonable chance that lenders will exercise their options. If they do, the Council will take the option to repay the LOBO loans at no cost, thus reducing refinancing risk in future years. Total borrowing via LOBO loans will be limited to £5.000m.

Short-term and variable rate loans

- 4.12 These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

Debt rescheduling

- 4.13 The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

5 Treasury Investment Strategy

- 5.1 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past twelve months, the Council's treasury investment balance has ranged between £350.303m and £444.695m. This level of investment is expected to fall in subsequent years as short-term external borrowing is repaid and additional internal borrowing is utilised to fund capital expenditure where possible.

Objectives

- 5.2 The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve where possible a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

Strategy

- 5.3 As demonstrated by the liability benchmark above, the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income. This diversification has generated over £15m in income and will represent a continuation of the strategy first adopted in 2015-16.
- 5.4 **ESG policy:** Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

Business models

- 5.5 Under the IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved counterparties

- 5.6 The Council may invest its surplus funds with any of the counterparty types in Table 3 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 3: Approved investment counterparties and limits (County Fund)

Sector	Time Limit	Counterparty Limit	Sector Limit
UK Government	3 years	Unlimited	n/a
Local Authorities & Other Gov't entities	3 years	£30m	Unlimited
Secured investments *	3 years	£30m	Unlimited
Banks (unsecured) *	13 months	£30m	Unlimited
Building societies (unsecured) *	13 months	£30m	£50m
Registered providers (Unsecured) *	3 years	£10m	£50m
Money market funds *	n/a	£30m	Unlimited
Strategic pooled funds	n/a	£30m	£100m
Real estate investment trusts	n/a	£10m	£50m
Other investments *	Individual Cabinet Approval		

- 5.7 The Council is to reduce the time limits on maturing investments to no longer than 3 years, as there is an increasing probability that the Council will borrow from the PWLB in the near future. The Council wants to be clear that it is not borrowing to invest primarily for financial return in contravention of the TM Code.
- 5.8 **Operational bank accounts:** The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25bn. These are not classed as investments, but are still subject to the risk of a bank bail-in. BoE has stated that in the event of failure, banks with assets greater than £25bn are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.
- 5.9 **County Fund:** It is requested that the limit for the Council's main operational bank (currently Lloyds) of £60m is maintained (£30m overnight only and £30m up to 13 months in duration).

- 5.10 **D2N2:** It is requested that the overnight limit of £10m (currently Lloyds) is maintained.
- 5.11 ***Minimum Credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
- 5.12 **Government:** Loans to, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 3 years.
- 5.13 **Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.
- 5.14 **Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. Refer to paragraph 5.8 for arrangements relating to operational bank accounts.
- 5.15 **Registered providers (unsecured):** Loans to, and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England). As providers of public services, they retain the likelihood of receiving Government support if needed.

- 5.16 **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee.
- 5.17 **Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
- 5.18 **Real Estate Investment Trusts (REITs):** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile, especially as the share price reflects changing demand for the shares, as well as changes in the value of the underlying properties.
- 5.19 **Other:** This category covers non-treasury investments. Loans to unrated companies will only be made following appropriate due diligence which may include an external credit assessment. Cabinet will consider approval on an individual case by case basis.

Risk assessment and credit ratings

- 5.20 Credit ratings are obtained and monitored by the Council's Treasury Management Adviser, who will notify changes in ratings as they occur. Where an entity has its credit-rating downgraded so that it fails to meet the minimum approved investment criteria then:
- No new investments will be made.
 - Any existing investments that can be recalled or sold at no cost will be.
 - Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 5.21 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the minimum approved rating criteria (A-), then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments

- 5.22 The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's Treasury Management Adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.
- 5.23 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government or with other Local Authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment limits (County Fund)

- 5.24 The Council's Total Useable Reserves available to cover investment losses are forecast to be £267.889m at 31 March 2023 and £221.366m at 31 March 2024. In order to minimise risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government or Lloyds Bank (operational bank accounts)) will be £30m and capitalised interest. A group of banks under the same ownership will be treated as a single organisation for limit purposes.
- 5.25 Credit risk exposures arising from non-treasury investments, financial derivatives and balances in operational bank accounts greater than £30m count against the relevant investment limits.
- 5.26 Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Additional investment limits

	Cash limit
Any group of pooled funds under the same management	£30m per manager
Negotiable instruments held in a broker's nominee account	£100m per broker
Foreign countries	£30m per country

Liquidity management

- 5.27 The Council uses purpose-built cash flow forecasting software and Excel spreadsheets to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.
- 5.28 In times of uncertainty, the Council will spread its liquid cash over a number of providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

6 Treasury Management Indicators

- 6.1 The Council measures and manages its exposures to Treasury Management risks using the following indicators.

Security

- 6.2 The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Table 5:

Credit risk indicator	Target
Portfolio average credit rating	A

Liquidity

- 6.3 The Council has adopted measures to monitor its liquidity risk and can use either Liquidity risk indicator Option 1 or Option 2 below, as appropriate.

- **Liquidity Option 1** – The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling one-month period, without additional borrowing.

Table 6:

Liquidity risk indicator	Target
County Fund: Total cash available within 1 month	£10m

- **Liquidity Option 2** – The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount it can borrow each quarter without giving prior notice.

Table 7:

Liquidity risk indicator	Target
County Fund: Total sum borrowed in past 3 months without prior notice	£30m

Interest rate exposures

- 6.4 This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Table 8:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£1.477m
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	-£1.508m

- 6.5 The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates.

Maturity structure of borrowing

- 6.6 This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Table 9:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	60%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	20%	0%
5 years and within 10 years	20%	0%
10 years and within 20 years	40%	10%
20 years and within 30 years	40%	10%
30 years and above	40%	0%

- 6.7 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal sums invested for periods longer than a year

- 6.8 The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Table 10:

Price risk indicator	31/03/24	31/03/25	31/03/26
Limit on principal invested beyond year end (including strategic pooled funds & non-treasury investments)	£150m	£125m	£100m

7 Related Matters

- 7.1 The CIPFA Code requires the Council to include the following in its Treasury Management Strategy.

Financial Derivatives

- 7.2 Local authorities have previously made use of financial derivatives embedded into loans and investments, both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
- 7.3 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly

demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall Treasury Risk Management Strategy.

- 7.4 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.
- 7.5 In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Markets in Financial Instruments Directive

- 7.6 The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's Treasury Management activities, the Council's S151 Officer believes this to be the most appropriate status.

Financial Implications

- 7.7 The budget for investment income in 2023-24 is £4.663m, based on an average investment portfolio of £116m traditional investments at an interest rate of 1.50%, and £70m of strategic pooled funds with dividends averaging 4.00%. The budget for long term external borrowing debt interest in 2023-24 is £11.765m, based on an average long-term debt portfolio of £265.579m, at an average interest rate of 4.43%, together with short-term debt interest of £3.338m. If actual levels of investments and borrowing, or actual interest rates, differ from forecasts, performance against budget will be correspondingly different.

Other Options Considered

- 7.8 The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Council's S151 Officer, having consulted the Cabinet Member for Corporate Services and Budget, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Table 11:

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix A – Treasury Management Advisors' Economic & Interest Rate Forecast – 19 December 2022

Underlying assumptions:

- The influence of the Government's September 2022 mini-budget on rates and yields continues to decrease, following the revised approach which followed.
- Volatility in global markets continues, however, as investors seek the extent to which central banks are willing to tighten policy, as evidence of recessionary conditions builds. Investors have been more willing to price in the downturn in growth, easing financial conditions, to the displeasure of policy makers. This raises the risk that central banks will incur a policy error by tightening too much.
- The UK economy is already experiencing recessionary conditions and recent GDP and Purchase Managers' Index (PMI) data suggests that the economy entered a technical recession in the third quarter of 2022. The resilience shown by the economy has been surprising, despite the downturn in business activity and household spending. Lower demand should bear down on business pricing power. Recent data suggests the UK has passed peak inflation.
- The lagged effect of the sharp tightening of monetary policy, and the lingering effects of the mini-budget on the housing market, widespread strike action, alongside high inflation, will continue to put pressure on household disposable income and wealth. The short-to medium-term outlook for the UK economy remains bleak.
- Demand for labour appears to be ebbing, but not quickly enough in the official data for most Monetary Policy Committee (MPC) policymakers. The labour market remains the bright spot in the economy and persisting employment strength may support activity, although there is a feeling of borrowed time. The MPC focus is on nominal wage growth, despite the huge real term pay cuts being experienced by the vast majority. Base Rate will remain relatively high until both inflation and wage growth declines.
- Global bond yields remain volatile as investors price in recessions, even as central bankers push back on expectations for rate cuts in 2023. The US labour market remains tight and the Fed wants to see persistently higher policy rates, but the lagged effects of past interest rate hikes will depress activity more significantly to test the Fed's resolve.
- While the BoE appears to be somewhat more dovish given the weak outlook for the UK economy the European Central Bank (ECB) seems to harbour few doubts about the short-term direction of policy. Gilt yields will be broadly supported by both significant new bond supply and global rates expectations due to hawkish central bankers, offsetting the effects of declining inflation and growth.

Forecast:

- The MPC raised Bank Rate by 50bps to 3.5% in December as expected, with signs that some members believe that 3% is restrictive enough. However, a majority of members think further increases in Bank Rate might be required. Arlingclose continues to expect Base Rate to peak at 4.25%, with further 25bps rises in February, March and May 2023.
- The MPC will cut rates in the medium term to stimulate a stuttering UK economy but will be reluctant to do so until wage growth eases. Arlingclose expects rate cuts in the first half of 2024.
- Arlingclose expects gilt yields to remain broadly steady over the medium term, although with continued volatility across shorter time periods.
- Gilt yields face pressures to both sides from hawkish US/EuroZone central bank policy on one hand to the weak global economic outlook on the other. BoE bond sales and high Government borrowing will provide further underlying support for yields.

Table 12:

	Current	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Official Bank Rate													
Upside risk	0.00	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25	1.25
Arlingclose Central Case	3.50	4.00	4.25	4.25	4.25	4.25	4.00	3.75	3.50	3.25	3.25	3.25	3.25
Downside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
3-month money market rate													
Upside risk	0.00	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25	1.25
Arlingclose Central Case	3.00	4.40	4.40	4.40	4.35	4.30	4.25	4.00	3.75	3.50	3.40	3.40	3.40
Downside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
5yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.43	3.60	3.80	3.80	3.80	3.70	3.60	3.50	3.40	3.30	3.30	3.30	3.30
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
10yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.47	3.50	3.60	3.60	3.60	3.60	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
20yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.86	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
50yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.46	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

UKIB Rate (Maturity Loans) = Gilt yield + 0.60%

Appendix B – Existing Investment and Debt Portfolio Position

Table 13:

	31 Dec 2022 Actual Portfolio £m	31 Dec 2022 Average Rate %
External Borrowing:		
Public Works Loan Board	250.579	4.50
Local authorities (including D2N2)	220.500	1.79
LOBO loans from banks	5.000	4.50
Other loans	10.000	4.69
Total External Borrowing	486.079	3.24
Other Long-Term Liabilities (PFI, Leases, Transferred Debt)	59.981	n/a
Total Gross External Debt	546.060	n/a
Treasury Investments:		
Local Authorities	199.500	0.90
Banks (unsecured)	96.821	3.10
Registered Providers (unsecured)	5.000	1.05
Money Market Funds	0.000	n/a
Total Deposits:	301.321	1.61
Bonds	4.396	4.02
Equities UK	7.853	7.80
Equities Global	6.342	3.25
Multi Asset Funds	22.350	2.89
Property	23.467	4.08
Total Strategic Pooled Funds	64.408	4.03
Total Treasury Investments	365.729	2.04
Net Debt	180.331	

Investment Strategy Report 2023-24

Introduction

- 1.1 The Council invests its money for three broad purposes:
- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**);
 - to support local public services by lending to or buying shares in other organisations (**service investments**); and
 - to earn investment income (known as **commercial investments** where this is the main purpose).
- 1.2 This Investment Strategy meets the requirements of statutory guidance issued by Government in January 2018 and focuses on the second and third of these categories.

Treasury Management Investments

- 2.1 The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure. These activities, plus the timing of borrowing decisions, leads to a cash surplus, which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). The balance of Treasury Management investments is expected to fluctuate between £59m and £357m during the 2023-24 financial year.
- 2.2 **Contribution:** The contribution that these investments make to the objectives of the Council is to support effective Treasury Management activities.
- 2.3 **Further details:** Full details of the Council's policies and its plan for 2023-24 for Treasury Management investments are covered in the Treasury Management Strategy included at Appendix Four.

Service Investments: Loans

- 3.1 **Contribution:** The Council lends money to its local regeneration partners to stimulate local economic growth. The Council also lends money to its local Community Trusts to support local public services.

- £11.390m + capitalised interest and fees - Buxton Crescent Hotel Ltd – to regenerate the historic Buxton Crescent by redeveloping a derelict Grade I listed building at Buxton Crescent into a boutique hotel and spa. This will boost the economy and tourism in Buxton and the High Peak area. Contribution of £0.593m estimated for 2023-24.
- £0.500m - Community Trusts – to Chesterfield Football Club Community Trust for sporting and community provision in the greater Chesterfield area. Contribution of £0.023m estimated for 2023-24.

- 3.2 **Security:** Each loan requires individual Cabinet approval. The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes

Category of borrower	31 March 2022 actual			2023-24
	Balance owed £m	Loss allowance £m	Net figure in accounts £m	Approved Limit £m
Local Regeneration Partners	12.547	-1.255	11.292	13.500
Local Community Trusts	0.500	-0.050	0.450	0.500
TOTAL	13.047	-1.305	11.742	14.000

- 3.3 Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts are shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.
- 3.4 **Risk assessment:** The Council assesses the risk of loss before entering into and whilst holding service loans by:

Buxton Crescent Hotel Ltd – although the hotel sector had recovered post-lockdown, inflation has reduced disposable income which will adversely affect the hospitality sector. In 2021-22, the Council agreed to the directors' request to re-negotiate the terms of the loan. This included an amended split of fixed/variable interest rates, an extension to the term of the loan and an extension to the repayment holiday.

- The Council's borrowing is secured by a legal charge over the property. The directors provide quarterly management information. The risk of loss, based upon the Council's Treasury Management Adviser's (Arlingclose) non-rated corporate estimate of 10.0%, is £1.255m on the loan amount outstanding of £12.547m at 31 March 2022. The Council's borrowing is secured by a legal charge over the property.
- Chesterfield Football Club Community Trust – The Council's borrowing is fully secured on the stadium. The risk of loss based upon an Arlingclose non-rated corporate estimate of 10.0%, is £0.050m on the current loan amount outstanding of £0.500m.
- Chesterfield Football Club also suffered from reduced income during Covid-19 restrictions, but now back to business as usual.

Capacity, Skills and Culture

- 4.1 **Elected members and statutory officers:** Elected members receive periodic training from the Council's S151 Officer on Treasury Management (including non-treasury investments).
- 4.2 The Council's S151 Officer holds semi-annual meetings with the Council's Treasury Management advisors to discuss Treasury Management Strategy options.
- 4.3 **Commercial deals:** The Council's S151 Officer is aware of the core principles of the prudential framework and of the regulatory regime within which local authorities operate.
- 4.4 **Corporate governance:** The Council's corporate governance arrangements are fully detailed in the Treasury Management Manual.
- 4.5 **Investment Indicators:** The Council has set the following quantitative indicators to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.
- 4.6 **Total risk exposure:** The first indicator shows the Council's total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down and guarantees the Council has issued over third-party loans.

Table 2: Total investment exposure

Total investment exposure	31.03.2022 Actual £m	31.03.2023 Forecast £m	31.03.2024 Forecast £m
Treasury management investments (excluding *)	308.994	262.338	59.000
*Strategic pooled funds	71.764	64.408	64.408
Service investments: Loans	13.047	13.545	14.193
TOTAL INVESTMENTS	393.805	340.291	137.601
Commitments to lend	0.373	0.324	0
TOTAL EXPOSURE	394.178	340.615	137.601

- 4.7 **How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Council's investments are funded by usable reserves and income received in advance of expenditure.

Table 3: Investments funded by borrowing

Investments funded by borrowing	31.03.2022 Actual £m	31.03.2023 Forecast £m	31.03.2024 Forecast £m
TOTAL FUNDED BY BORROWING	0.000	0.000	0.000

- 4.8 **Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 4: Investment rate of return (net of all costs)

Investments net rate of return	2021-22 Actual %	2022-23 Forecast %	2023-24 Forecast %
Treasury management investments (excluding *)	0.69	1.61	1.48
*Strategic Pooled Funds	4.29	4.03	4.03
Service Investments: Loans	2.86	4.55	4.97
ALL INVESTMENTS	1.42	2.14	2.57

Table 5: Other investment indicators

Indicator	2021-22 Actual	2022-23 Forecast	2023-24 Forecast
Debt to net service expenditure ratio	1:1.39	1:1.37	1:2.09
Service Loans income to net service expenditure ratio	1:1407	1:1181	1:879

Capital Strategy 2023-24

- 1 Introduction**
- 2 Objectives of strategy**
- 3 Key projects**
- 4 Approach to capital investment**
- 5 Commercial activity and investment property**
- 6 Loans**
- 7 Governance arrangements**
- 8 Funding streams**
- 9 Key strategies impacting on the Capital Strategy**
- 10 Prudential Indicators**
- 11 Knowledge and skills**

1 Introduction

- 1.1 The Capital Strategy outlines the principles and framework that shape the Council's investment proposals, aiming to deliver an affordable programme of capital investment which is consistent with the Council's financial strategy and contributes to the priorities set out in the Council Plan.
- 1.2 The Capital Strategy sets the Council's approach to capital investment identifying the issues and options affecting capital spending and sets out how available resources to fund the capital programme will be managed.
- 1.3 Local authorities continue to operate in a financially challenging environment. High inflation rates are causing significant price increases in respect of goods and supplies, particularly in the construction industry. Therefore the Council will need to consider the operation of its services in the future and how capital resources are identified, deployed and managed.
- 1.4 The Prudential Code for Capital Finance in Local Authorities sets out a framework that was updated by the Chartered Institute of Public Finance and Accountancy (CIPFA) in December 2021. The framework supports local strategic planning, local asset management planning and option appraisal.
- 1.5 The objectives of the Prudential Code are to ensure that the capital expenditure plans of local authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved.
- 1.6 The Prudential Code requires authorities to look at capital expenditure and investment plans in the light of overall organisational strategy and resources and ensure that decisions are made with sufficient regard to the long-term financing implications and potential risks to the authority.
- 1.7 The Prudential Code sets out that in order to demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability, the capital strategy should set out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.
- 1.8 In addition to the approved capital investment programme the Capital Strategy also considers the Council's ambitions over the medium to long term, the implementation of this strategy will ensure that:

- Capital Investment has a direct relationship to the Council Plan and supports its corporate objectives.
- Members and senior officers have a common understanding of the long-term context in which investment decisions are made and the financial risks which the council is exposed to.
- There is a framework for the review and management of existing and future assets (The Asset Management Plan).
- There is an investment programme that is expressed over the medium term.
- There is a framework that prioritises the use of capital resources.

1.9 This Capital Strategy sets out a framework for the self-management of capital finance and examines the following areas:

- Capital expenditure and investment plans.
- Prudential Indicators.
- External debt.
- Treasury Management.

2 Objectives of the Strategy

2.1 The capital budgets should support the key priorities laid out in the Council's Council Plan. Each capital proposal is required to clearly demonstrate the project links to the Council's priorities, which are:

1. Resilient, healthy and safe communities.
2. High performing, value for money and resident focused services.
3. Effective early help for individuals and communities.
4. A prosperous and green Derbyshire.

3 Key Projects

3.1 Within the Council Plan are a number of key projects which are, or will have an impact on the Council's Capital Programme:

- Delivered the Information and Communications Technology Strategy 2018-23 to streamline service delivery and embed modern working practices.
- Increased fibre enabled broadband coverage across Derbyshire for homes and business.
- Invested in well maintained roads and highways infrastructure.
- Investment to install 88,000 LED lights across the County in order to reduce 16,900 kwh of electricity saving £1.7m.
- Supported the development of a network of electric vehicle charging points across the county.
- Developed, agreed and begun to implement the Older People's Housing, Accommodation and Support Strategy.

- Ensure all Council run adult care homes have Quality of Care graded as good or outstanding.

3.2 In addition to this, the Council's Asset Management Framework identifies additional activities which are property specific including:

- Develop a model for the community management of Council property assets under the Thriving Communities agenda.
- One Public Estate projects.
- Delivery of major regeneration projects including Elvaston Castle.
- Delivery of the schools capital programme.
- Smarter working projects.

4 Approach to Capital Investment

4.1 The Council's Capital Strategy defines and outlines the Council's approach to capital investment and is fundamental to the Council's financial planning processes. It aims to ensure that:

- An affordable and sustainable capital programme is delivered.
- Use of resources and value for money is maximised.
- A clear framework for making capital expenditure decisions is provided.
- A corporate approach to generating capital resources is established.
- Access to sufficient long-term assets to provide services are acquired and retained.
- Invest to save initiatives to make efficiencies within the Council's revenue budget are encouraged.
- An appraisal and prioritisation process for new schemes is robust.
- Capital expenditure contributes to the achievement of the Council's Strategic Plan.

5 Commercial Activity and Investment Property

5.1 The CIPFA Code defines investment property as property held solely to earn rentals or for capital appreciation or both. Returns from property ownership can be both income-driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth). The combination of these is a consideration in assessing the attractiveness of a property for acquisition.

5.2 The Council does not currently borrow to fund these types of activities.

6 Loans

- 6.1 The Council has discretion to make loans for a number of reasons, primarily for economic development. These loans are treated as capital expenditure.
- 6.2 In making loans the Council is exposing itself to the risk that the borrower defaults on repayments. The Council, in making these loans, must therefore ensure they are prudent and has fully considered the risk implications, with regard to both the individual loan and that the cumulative exposure of the Council is proportionate and prudent.
- 6.3 The Council will ensure that a full due diligence exercise is undertaken and adequate security is in place. The business case will balance the benefits and risks. All loans are agreed by Cabinet. All loans are subject to close, regular monitoring.
- 6.4 For further details, refer to the Investment Strategy above.

7 Governance Arrangements

Capital Programme Approvals

- 7.1 The Council's constitution and financial regulations govern the capital programme as set out below:
- All capital expenditure must be carried out in accordance with the Financial Regulations and the Council's Constitution.
 - The expenditure must comply with the statutory definition of capital purposes as defined within this document and wider financial standards.
 - The Capital Programme approved by Full Council as part of the Council's annual budget report sets the capital funding availability for the Council.
 - Prioritisation of funding and the schemes receiving entry into the Capital Programme.
 - Each scheme must be under the control of a responsible person/project manager.
 - Any agreements (such as section 106) which contractually commit to procure capital schemes will need to follow the same approval process as other capital expenditure before it can formally be incorporated into the Capital Programme.

Capital Programme Bodies

- 7.2 The main internal bodies that are responsible for the governance and management of the Capital Programme are the Full Council, Cabinet, Cabinet Member and the Capital Strategy Group.

- **Full Council:**
Approves the Capital Programme as part of the Annual Budget Report within the strategic boundaries set by the Council.
- **Cabinet/Cabinet Member:**
Approves additional schemes into the Capital Programme and cost variations to various schemes

Cabinet also receives the capital monitoring reports.

- **Capital Strategy Group:**
This is a cross-service group of Officers with a finance, service and property management background.

It is responsible for ensuring that the Council has a clear and cohesive strategy for managing its physical assets and to oversee the development and delivery of the Council's Capital Programme in support of that strategy.

8 Funding Streams

- 8.1 The Council's Capital Programme is funded from a mix of sources including:-

- **Prudential Borrowing**
The introduction of the Prudential Code in 2004 allowed the Council to undertake unsupported borrowing itself. This borrowing is subject to the requirements of the Prudential Code for Capital Expenditure for Local Authorities. The Council must ensure that unsupported borrowing is affordable, prudent and cost effective. This has provided the Council with the flexibility to raise capital funding as demand and business need have dictated. This type of borrowing has revenue implications for the Council in the form of financing costs.
- **External Grants**
The largest form of capital funding comes through as external grant allocations from Central Government departments, such as the Department for Transport and Department for Education.
- **Section 106 and External Contributions**
Elements of the Capital Programme are funded by contributions from private sector developers and partners. Growth in Derbyshire has resulted in Section 106 contributions from developers accounting for significant elements of funding of the Capital Programme in recent years.

- **Revenue Funding**

The Council can use revenue resources to fund capital projects on a direct basis and this funding avenue has been used in the past. However, the impact of austerity on the Council's revenue budget has reduced options in this area and therefore the preference is for Invest to Save options to be adopted where feasible.

- **Capital Receipts**

The Council is able to generate capital receipts through the sale of surplus assets such as land and buildings. The Council seeks to maximise the level of these resources which will be available to support the Council's plans.

- 8.2 The size of the Capital Programme will be influenced by funding sources and financing costs. The main limiting factor on the Council's ability to undertake capital investment is whether the revenue resource is available to support in full the implications of capital expenditure, both borrowing costs and running costs, after allowing for any support provided by central government, now mainly through capital grants.

9 Key strategies impacting on the Council's Capital Strategy

- 9.1 There are three key strategies in place that will significantly influence the Council's Capital Programme over the medium term.

(a) Property Asset Management Framework

- 9.2 The strategic aim of the Property Asset Management Framework is to ensure that the Council has appropriate, cost effective buildings from which to deliver services.

- 9.3 The aim of the strategy is to give clarity to the way we manage our assets, including:

- The organisational arrangements for asset management including policies and protocols.
- The corporate processes for decision making in relation to our assets – Corporate Governance.
- The performance measures and monitoring.
- How we manage and maintain our data on land and buildings.

Property Policies and Protocols

- 9.4 There are a number of policies and protocols that need to be in place to deliver strategic asset management effectively:

- Property Acquisition Protocol.
- Property Disposal Protocol.

- Community Asset Transfer Protocol.
- Lettings Protocol.
- Process for departments to follow when they have a property need.
- Process for departments to follow when they wish to vacate a property.
- Decommissioning Process.
- Property Review Process.

(b) ICT Strategy

9.5 The Council recognises that ICT is a key enabler of service delivery. The strategy outlines how ICT will deliver new technologies to support the ambitions and outcomes of the Council Plan and Derbyshire's approach to becoming an Enterprising Council.

9.6 In order to achieve this, a five-year replacement capital programme will be developed, and initial requirements over this period are likely to be around £10m:

Summary of Strategy Deliverables

- Changing Service Models
- ICT Governance Structure
- Modern Ways of Working
- Digital by Default
- Workforce ICT Competencies
- Corporate and Business systems
- ICT Infrastructure Delivery
- Responsible Data management

(c) Highways Infrastructure Asset Management Strategy

9.7 Highway infrastructure is the largest and most visible asset the Council is responsible for. With a gross replacement cost of £11.0bn, it is fundamental to the delivery of the Council Plan. It includes over 5,000km of road network, as well as supporting public transport through cycle routes, public rights of ways, canals, bus stations and shelters, on-street parking, school buses and vehicle fleet. It reflects the character and quality of the local areas that it serves and makes an important contribution to the wider Council priorities, including regeneration, social inclusion, education, employment, recreation and health. In order to deliver these aims and strengthen local communities, it is crucial that it is maintained to enable safe, reliable and sustainable journeys.

9.8 There are a variety of factors that need to be taken into consideration when determining the Council's expectations for the highway service:

- Meeting national policy, guidance and codes of practice.
- Delivering Council goals – including maintenance policy and Local Transport Plan.
- Supporting Council Vision.
- Complying with legal duties, including Highways Act 1980, Traffic Management Act 2004 and The Equalities Act 2010.
- Enabling effective whole Government accounts and local financial reporting.
- Managing Stakeholder expectations – the Council readily engages with stakeholders through Elected Members, the National Transport and Public Satisfaction Survey, the DCC website, officer workshops and Midland Service Improvement Group (MSIG).
- Understanding future demands of the highway infrastructure assets.
- Making the best of financially constrained budgets.
- Delivering efficiency and value for money.
- Delivering long term improvements to the condition of the network.
- Providing a safe and reliable network.

9.9 The major groups of assets covered by the Strategy are:

- Carriageways
- Footways and Cycleways
- Structures (Bridges/retaining walls)
- Drainage
- Street Lighting
- Electronic Traffic Management
- Street Furniture (Traffic Signs/Vehicle Restraint Systems etc)

9.10 The major source of capital funding for the network is from the Local Transport Plan grant from central government which is approximately £22m per annum.

10 2023-24 Prudential Indicators for Capital Finance

10.1 This section of the Capital Strategy sets out the prudential indicators and outlines how expenditure will be financed by borrowing in an affordable, prudent and sustainable way.

Information and Advice

- 10.2 The Local Government Act 2003 enables local authorities to determine their programmes for capital investment and associated borrowing requirements, provided they have regard to the Prudential Code for Capital Finance in Local Authorities developed by CIPFA and also take advice from the Section 151 Officer.
- 10.3 The Executive Summary of the Code states that “The framework established by the Prudential Code should support local strategic planning, local asset management planning and proper option appraisal. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice.”
- 10.4 The Code sets out a number of prudential indicators designed to support and record local decision making and it is the duty of the Chief Financial Officer (the Council’s Section 151 Officer) to ensure that this information is available to Members when they take decisions on the Council’s capital expenditure plans and annual budget. Key issues to be considered are:
- Affordability (e.g. implications for Council Tax).
 - Prudence and sustainability (e.g. implications for external borrowing and whole life costing).
 - Value for money.
 - Stewardship of assets (Service objectives (e.g. alignment with the Council’s Strategic Plan)).
 - Practicality (e.g. whether the capital plans are achievable).

Affordability

- 10.5 The fundamental objective in the consideration of the affordability of the Council’s capital plans is to ensure that the level of investment in capital assets proposed means that the total capital investment of the Council remains within sustainable limits.
- 10.6 In considering the affordability of its capital plans, the Council is required to consider all of the resources currently available to it and estimated for the future, together with the totality of its capital plans, income and expenditure forecasts.
- 10.7 The costs of financing capital expenditure are:
- Interest payable to external lenders less interest earned on investments.

- Amounts set aside for repayments of amounts borrowed (including repayments of amounts relating to PFI schemes and other finance lease liabilities).

Table 1 – Actual and Estimates of financing costs to net revenue stream

10.8 This indicator identifies the trend in the cost of capital against the net revenue stream, based on the Capital Programme.

	2021-22 Actual £m	2022-23 Estimate £m	2023-24 Estimate £m	2024-25 Estimate £m	2025-26 Estimate £m
Financing costs of CFR	44.130	46.330	51.924	59.014	65.664
Net Revenue stream inc DSG	985.056	998.452	1,036.400	1,069.051	1,068.776
Percentage	4.48%	4.64%	5.01%	5.52%	6.14%
Net Revenue stream excluding DSG	611.624	612.973	650.921	683.572	683.297
Percentage	7.22%	7.56%	7.98%	8.63%	9.61%

Prudence and Sustainability

10.9 The Prudential Code requires that the Council shall ensure that all of its capital expenditure, investments and borrowing decisions are prudent and sustainable.

10.10 In doing so it will take into account its arrangements for the repayment of debt and consideration of risk and the impact on the Council's overall fiscal sustainability.

10.11 The Council is required to make reasonable estimates of the total capital expenditure that it plans to incur in the forthcoming financial year and at least the following two financial years.

10.12 As part of the Prudential Code arrangements the Council needs to calculate the Capital Financing Requirement (CFR). This figure is simply historic outstanding capital expenditure which has not yet been permanently financed through either capital or revenue resource. It is a measure of the Council's indebtedness and the underlying need to borrow. Any capital expenditure which has not immediately been paid for through revenue or capital expenditure will increase the CFR.

10.13 The Code also states that "In order to ensure that over the medium-term net debt will only be for a capital purpose, the local authority should ensure that net debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years." This is a key indicator of prudence.

Table 2 – Estimates of Capital Expenditure and Capital Financing Requirement

10.14 As such there is a requirement to ensure that net debt (the sum of borrowing and other long-term liabilities, net of investments) in 2023-24 does not, except in the short-term, exceed £738.837m (i.e. the estimated CFR for 2023-24).

	2021-22 Actual £m	2022-23 Estimate £m	2023-24 Estimate £m	2024-25 Estimate £m	2025-26 Estimate £m
Capital Expenditure	113.599	164.590	255.960	156.210	240.890
Funding Sources:					
Borrowing	57.423	83.600	129.840	54.870	41.640
Capital receipts	3.172	4.880	7.350	0.750	0.250
Capital grants	52.641	76.110	115.770	100.590	199.000
Revenue	0.363	0.000	3.000	0.000	0.000
Total CFR at year end	571.297	633.457	738.837	766.257	779.027
Net movement in CFR	45.618	62.160	105.380	27.420	12.770
Minimum Revenue Provision	11.805	21.440	24.460	27.450	28.870
PFI & Leases in CFR	59.832	55.045	58.699	54.447	50.038
PFI & Leases in MRP	4.560	4.787	5.046	5.251	5.409

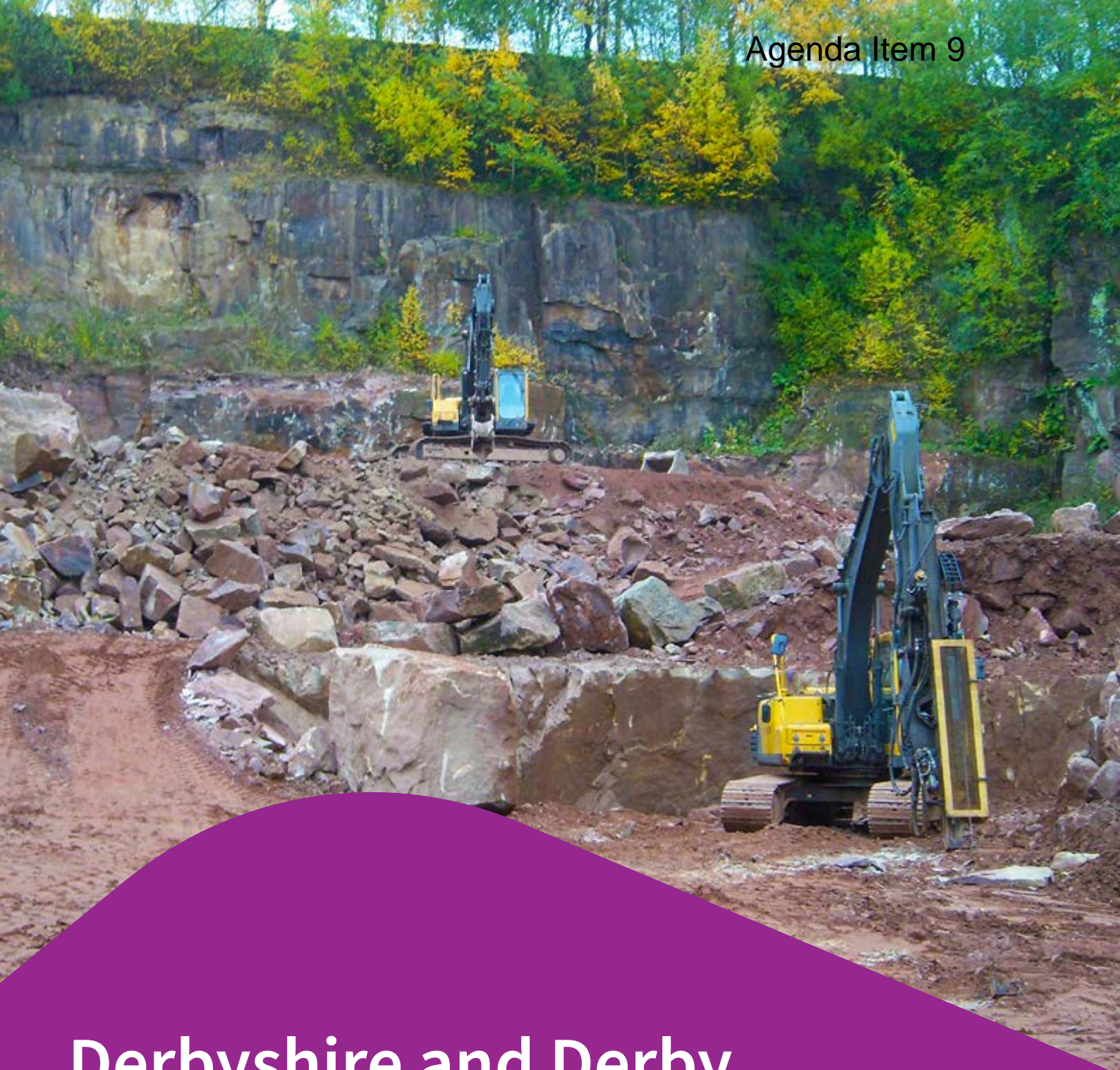
External Debt

- 10.15 The Local Government Act 2003 requires the Council to set two borrowing limits for next year and the following two years with respect to external borrowing.
- 10.16 Operational Boundary – must be set for both borrowing and long-term liabilities.
- 10.17 This measure encompasses all borrowing and is used in-year as a tool for monitoring the Council's prudent borrowing requirements. The operational boundary is calculated by taking account of existing borrowing and long-term liabilities, planned new borrowing, net change in long term liabilities and any amounts set aside for repayment of debt.
- 10.18 Authorised Limit for external debt is a key prudential indicator, it is a control on the maximum level of borrowing; it represents a legal limit beyond which external debt cannot exceed, this limit needs to be set or revised by full Council. It reflects the level of external debt which whilst not desired, is affordable in the short-term but is not sustainable in the longer term
- 10.19 The Operational Boundary for external debt for the next three years is built up from the existing level of external borrowing, which was £413.399m, and the level of relevant liabilities (including finance lease liabilities), which was £59.981m, on the Balance Sheet at 31 March 2022.
- 10.20 The Authorised Limit for 2023-24 is to be £813m and the Operational Boundary is to be £776m.

Table 3 – Authorised Limit for External Debt

	2021-22 Actual £m	2022-23 Estimate £m	2023-24 Estimate £m	2024-25 Estimate £m
Authorised limit for external debt	707	769	813	843
Operational boundary for external debt	675	734	776	805
Borrowing	413	455	297	256
Other debt liabilities	60	55	59	55
Total	473	510	356	311

- 11.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as its Treasury Management Adviser. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.



Derbyshire and Derby Minerals Local Plan 2022 - 2038

Pre-submission draft local minerals plan
January 2023

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Part 1:

Introduction and Background,
Spatial Overview and Strategic Priorities



CHAPTER 1: Introduction and Background

INTRODUCTION

- 1.1 Derbyshire County Council and Derby City Council have jointly prepared a minerals local plan that covers the period from 2022 to 2038. It is called the Derbyshire and Derby Minerals Local Plan and covers the geographical county of Derbyshire, excluding that part which falls within the Peak District National Park (PDNP).

WHY PREPARE A JOINT PLAN?

- 1.2 Planning authorities are required by law to prepare local development documents¹ setting out strategic priorities for the development and use of land in their area and strategic policies to address those priorities.² Derbyshire County Council and Derby City Council are mineral and waste planning authorities, with Derby City also having responsibility for all other types of development within its area.
- 1.3 There is recognition that mineral (and waste) planning issues often affect larger than local areas and can best be planned for at a wider than local level. This was recognised previously by the two authorities, resulting in the agreement to prepare the current Minerals and Waste Local Plans jointly. In addition, one of the key changes to the planning system under the [Localism Act 2011 \(legislation.gov.uk\)](https://legislation.gov.uk/ukpga/2011/25/contents) has been the introduction of the ‘duty to co-operate’, which seeks to enhance the way planning authorities work together to consider preparing joint plans. As a result, the two authorities have decided to continue this arrangement and prepare new joint plans. In addition to jointly preparing a minerals local plan, the two authorities are also preparing a waste local plan which is the subject of separate consultation.
- 1.4 Derby City Council has also prepared the Derby City Local Plan – Part 1 Core Strategy (DCLP1), adopted on 25th January 2017, setting out the long-term strategy for the spatial development of the City area to 2028 for matters other

¹ Planning and Compulsory Purchase Act 2004, Section 17 (as amended by the Planning Act 2008)

² Planning and Compulsory Purchase Act 2004, Section 19 (as amended by the Neighbourhood Planning Act 2017)

than minerals and waste. Work has now begun on a new Local Plan for the City that will cover the period up to 2039.

HOW IS THE PLAN PREPARED JOINTLY?

- 1.5 Derbyshire County Council leads on the preparation of the Plan with support from Derby City Council as appropriate. The Development Plans Joint Advisory Committee, consisting of members from both Authorities, provides a co-ordinating role in steering the preparation of the Plan. Approval to engage and consult on key stages in the preparation of the Plan is sought separately by the County and City Councils through their respective Cabinet members. The Plan will be adopted as Council policy separately by the Full Council members of both Councils.

WHAT IS THE PURPOSE OF A LOCAL PLAN?

- 1.6 Planning law³ requires that planning applications for development that accords with an up-to-date 'development plan' should be approved unless 'material considerations' indicate otherwise. The principal document that will be used to assess proposals for mineral development and mineral related development will be the Minerals Local Plan.
- 1.7 The 'development plan' for the plan area will also include the Waste Local Plan and any City/Borough/District prepared local plans on non-mineral and waste matters and neighbourhood plans. Where relevant, policies from these plans will also be taken into account.
- 1.8 The National Planning Policy Framework (NPPF)⁴ sets out that local planning authorities may give weight to relevant policies in emerging plans according to:
- The stage of preparation of the plan;
 - The extent of unresolved objections to relevant policies; and
 - The degree of consistency with the NPPF.
- 1.9 The Pre-submission Draft Plan has been prepared in conformity with the latest NPPF. It is a Regulation 19⁵ consultation and as such represents the Plan that the MPA intends to submit to the Planning Inspectorate for examination. The MPA considers it to be a 'sound' Plan and advanced sufficiently in its

³ Planning and Compulsory Purchase Act 2004, Section 38(6)

⁴ NPPF July 2021, Paragraph 48

⁵ Town and Country Planning (Local Planning) (England) Regulations 2012 as amended

preparation to be ‘material’ in assessing planning applications. Further information on the way in which planning applications are considered can be found on the County Council’s and City Council’s websites at the following links:

[Processing planning applications - Derbyshire County Council](#)

[Planning procedures and performance - Derby City Council](#)

HOW WILL THE PLAN DELIVER SUSTAINABLE MINERALS DEVELOPMENT?

- 1.10 The purpose of the planning system is to contribute to the achievement of ‘sustainable development’. The term is not defined as such, but the NPPF states that it can be summarised as meeting the needs of the present without compromising the ability of future generations to meet their own needs.⁶ Additionally, members of the United Nations, including the UK, have agreed to pursue 17 Global Goals for Sustainable Development in the period to 2030, which address social progress, economic well-being and environmental protection.⁷
- 1.11 In order to achieve sustainable development, local plans are required to deliver three overarching and interrelated economic, social and environmental objectives. The economic objective is to provide sufficient land for the right type of development, in the right place at the right time to support growth, innovation and improved productivity. The social objective is to support strong, vibrant and healthy communities by providing well designed beautiful and safe places with accessible services and open spaces which meet the needs of the community. The environmental objective is to protect and enhance our natural, built and historic environment, including making effective use of land, improving biodiversity, using natural resources prudently, minimising pollution and mitigating and adapting to climate change including moving to a low carbon economy.
- 1.12 Local Plans are required to apply a presumption in favour of sustainable development, which for plan making means that they should promote a sustainable pattern of development that seeks to: meet the development needs of their area; align growth and infrastructure; improve the environment; mitigate climate change and adapt to its effects.

⁶ Resolution 42/187 of the United Nations General Assembly

⁷ Transforming our World: the 2030 Agenda for Sustainable Development.

- 1.13 The NPPF makes it clear that local plans should deliver ‘sustainable development’ that reflects the vision and aspirations of people and organisations with an interest in the local area. The Plan therefore sets out the overall vision and strategic objectives which encompass the agreed economic, social and environmental priorities of the area in relation to minerals (including strategic cross-boundary issues). It includes a framework of strategic policies aimed at addressing those priorities together with non-strategic development management policies aimed at avoiding, minimising and mitigating the adverse impacts of minerals development.

HOW IS A LOCAL PLAN PREPARED?

- 1.14 There is a range of legislation, guidance and policies at the international, national and local level which the Plan must take into account. In some cases, the Plan must be consistent with them and in others, help to deliver their strategies. Some set out requirements that the Plan must meet, in terms of its content, for example, it must include policies to address strategic priorities and climate change. Others are about the way it is produced, including the need to ensure adequate engagement with members of the public and other interested stakeholders. It also has to address strategic cross boundary planning issues by cooperating with other local authorities and relevant bodies. Additionally, the Plan must be based on a robust and credible, but proportionate, evidence base, which is as up to date as practicable.
- 1.15 Preparation of a local plan is a lengthy process and typically involves several stages of public engagement and consultation culminating in the submission of the ‘publication’ plan to the Department for Levelling Up, Housing and Communities (DLUHC). A Planning Inspector, on behalf of the Department, will examine firstly, whether the plan satisfies the ‘duty to co-operate’ requirements and other legal requirements and, if that is the case, whether the plan is ‘sound’ before it can be adopted as Council policy.
- 1.16 When considering whether the Plan meets its legal and ‘Duty to Cooperate’ requirements, the Inspector will consider a number of issues including:
- **Local Development Scheme:** has the plan been prepared in accordance with the timetable set out in the Local Development Scheme?
 - **Statement of Community Involvement:** has consultation on the plan been in accordance with the Council’s Statement of Consultation and have the appropriate bodies been consulted?

- **Duty to Cooperate:** has the plan been prepared in cooperation with other local planning authorities and prescribed bodies, such as the Environment Agency, Natural England and Historic England.
- **Sustainability Appraisal:** has an adequate Sustainability Appraisal been carried out?
- **Appropriate Assessment:** has an Appropriate Assessment under the Habitats Regulations Assessment been carried out?
- **National Policy and Legislation:** does the Plan comply with national policy and relevant legislation e.g. T&CP (Local Planning) (England) Regulations 2012

1.17 When considering the soundness of the plan there are four tests to meet. It must be:

Positively prepared - provides a strategy which, as a minimum, meets the area's objectively assessed needs informed by agreements with other authorities;

Justified – an appropriate strategy, taking into account reasonable alternatives and based on proportionate evidence;

Effective – deliverable over the plan period and based on effective joint working on strategic cross boundary issues as evidenced in the Statement of Common Ground;

Consistent with national policy – enabling the delivery of sustainable development in accordance with the NPPF⁸ and other statements of national planning policy, where relevant.

1.18 The Councils have already undertaken a number of stages of plan preparation and consultation so far. These are shown below along with the anticipated stages of further production in italics.

- Stakeholder Workshop July 2009
- Key Issues and Options Consultation 2010
- Sand and Gravel Sites Consultation 2012
- Emerging Approach 2015/2016
- Hard Rock Sites Consultation 2016/2017

⁸ NPPF July 2021 Paragraph 35

- Proposed Approach 2018
- Sand and Gravel Sites Consultation 2020
- Proposed Draft Plan 2021
- Pre-Submission Draft Plan (Publication Plan) 2022 (the current stage)
- *Submission to Planning Inspectorate*
- *Examination in Public*
- *Modification Stage*
- *Adoption*

WHAT OTHER DOCUMENTS ARE REQUIRED TO SUPPORT THE PREPARATION OF THE PLAN?

- 1.19 The preparation of the Minerals Local Plan also requires the preparation of a number of other supporting technical documents and assessments.

Development Plan Scheme (DPS): Sets out the current programme for the preparation of the Plan.

Statement of Community Involvement (SCI): Sets out, amongst other matters, how we will involve members of the public and other interested stakeholders in the preparation of the Plan.

Sustainability Appraisal (SA) – the purpose of the SA is a way of promoting sustainable development through the better integration of sustainability considerations throughout the preparation of the Plan. The Appraisal involves testing the impact of the Plan against a series of Sustainability Objectives and incorporating improvements to the Plan where they are recommended.

Strategic Flood Risk Assessment (SFRA) – The purpose of a SFRA is to assess and map the different levels and types of flood risk to inform the development of the Minerals Local Plan. In addition to the work carried out, all allocated sites will require a site-specific Flood Risk Assessment at the planning application stage.

Habitats Regulation Assessment (HRA) – The purpose of HRA is to identify any aspects of the Plan that could cause a likely significant effect on the

integrity of any European Sites⁹, which include Special Areas of Conservation (SACs), candidate SACs, Special Protection Areas (SPAs) and potential SPAs (pSPAs) and Ramsar sites, both in isolation and in combination with other plans and projects. The Assessment also determines whether appropriate assessment (AA) would be required in order to identify potential adverse effects on the integrity of any European sites.

Health Impact Assessment (HIA) – The purpose of a HIA is to examine the Plan’s policies and proposals to identify any potential health impacts and assess how any negative impacts can be minimised and potential positive benefits maximised.

Equalities Impact Assessment (EqIA) – The purpose of an EqIA is to assess the impact of the Plan’s policies and proposals on groups of individuals with protected characteristics. This ensures the needs of these groups and individuals have been considered and that the Plan does not discriminate against any particular individuals or groups. It demonstrates the Councils have met their Public Sector Duty, as required by the [Equality Act 2010 \(legislation.gov.uk\)](https://www.legislation.gov.uk).

Strategic Transport Assessment (STA) – The purpose of a STA is to provide evidence to support the development of policies and proposals in the Plan and to assess the impact of the Plan’s policies and proposals on the transport network.

Local Aggregates Assessment (LAA) – The NPPF requires Mineral Planning Authorities (MPAs) to plan for a steady and adequate supply of aggregates through the preparation of an annual LAA. The LAA should be based on an average 10 years sales data and other relevant local information and include an assessment of all supply options. The County and City Councils prepare the LAA jointly with the Peak District National Park Authority (PDNPA).

Monitoring Report - The purpose of a Monitoring Report, which should be produced at least annually, is to show how the Councils are progressing with preparing the Minerals Local Plan and how well its current adopted policies are being implemented.

Duty to Co-operate (DtoC): Introduction and Overview Report – The purpose of the DtoC requirement is to enable the effective planning for

⁹ Protected by the Conservation of Habitats and Species Regulations 2017 (known as the Habitats Regulations)

strategic issues that cross administrative boundaries. The Report sets out the background and requirements of the Duty to Co-operate and the way in which the Councils have sought to meet their obligations.

Duty to Co-operate: Statement of Common Ground (SoCG) – The purpose of the SoCG is to document the cross-boundary matters being addressed in preparing the Minerals Local Plan and the progress in cooperating with the relevant policy making bodies to address them.

Report of Publicity and Consultation – The purpose of this Report is to set out the consultation stages that have been undertaken in preparing the Plan, together with a brief summary of the issues raised in response to the consultations at each stage. It also provides a note of the issues raised at any Drop-in sessions which the Councils held to engage with members of the public.

Report of Representations – The purpose of this Report is to set out in detail the representations that have been received at each stage of plan preparation. It includes the Councils' response to those representations together with the proposed outcomes for the Plan.

- 1.20 The Councils have prepared a number of other documents to assist them in preparing the Plan and which form part of the evidence base.

Background Papers – The purpose of these papers is to provide more detailed information on the 'subject area' than is possible in the Plan. There are Papers for each of the important minerals and important topics within the Plan area.

Development Papers – The purpose of these papers is to show how the Plan has been developed over time through the stages of consultation, taking into account changes to the NPPF and Planning Policy Guidance (PPG), duty to co-operate, representations and the findings of Plan assessments including interim sustainability appraisals.

Site Selection Methodology – The purpose of the methodology is to assess promoted sites for their potential allocation in the Plan. Both promoted sand and gravel and hard rock sites have been assessed in preparing the Plan.

- 1.21 Not all of the supporting documents are required to be prepared at every stage of Plan preparation. The supporting documents that form part of this Consultation are listed at Appendix E. Information on the documents that formed part of previous Consultation stages can be found by visiting [New](#)

[Minerals Local Plan - Derbyshire County Council](#) .There is a link to this page from the City Council's website.

WHAT EXISTING POLICIES WILL THE NEW MINERALS LOCAL PLAN REPLACE?

- 1.22 The new Derbyshire and Derby Minerals Local Plan when adopted will replace the 'saved'¹⁰ policies of the current Derbyshire and Derby Minerals Local Plan adopted in 2000 with a first alteration adopted in 2002. A list of these policies is set out at Appendix D.

WHAT IS THE PRE-SUBMISSION DRAFT PLAN CONSULTATION STAGE?

- 1.23 The consultation is the presentation of a draft version of the Plan that the MPA intends to submit to the Planning Inspectorate for examination. It sets out:
- The spatial overview of the Plan area in terms of population, economic and social conditions, transport, natural, built and historic environment, and a profile of the minerals industry;
 - A long-term vision for mineral development to 2038;
 - Strategic priorities/objectives to deliver the vision;
 - A Key Diagram showing a geographical picture of the strategic priorities;
 - Strategic Policies addressing the strategic priorities including policies to enable the supply of important minerals to 2038 and site allocations, where appropriate, to meet demand;
 - Non-Strategic Other Mineral Related Issues policies and Development Management Policies to avoid, control and mitigate the impacts of mineral development;
 - A Monitoring Framework to monitor the effects of the Plan's policies and proposals and inform the need for Plan review;
 - Site Development Briefs detailing the Principal Planning Requirements that need to be addressed by any planning application to work a proposed allocation site.

A Policies Map which presents the Plan's policies geographically is provided separately to the Plan.

¹⁰ Paragraph 1(3) of Schedule 8 to the Planning and Compulsory Purchase Act 2004

- 1.24 At this stage the Councils are seeking views, from interested parties and the people of Derbyshire and Derby, particularly on whether the Plan is legally compliant and meets the tests of soundness.

HOW IS THE PRE-SUBMISSION DRAFT PLAN SET OUT?

- 1.25 The NPPF¹¹ requires the Plan to be explicit in which policies are strategic and necessary to deliver the strategic priorities of the area and any cross-boundary issues. The NPPF¹² requires that strategic policies should set out an overall strategy for the pattern, scale and design quality of places and make sufficient provision for, amongst other matters, the supply of minerals and the conservation and enhancement of the natural, built and historic environment, and planning measures to address climate change mitigation and adaptation.
- 1.26 The Plan is set out in the following way:
- **Part One** - Introduction, Spatial Overview and Strategic Priorities;
 - **Part Two** - Strategic Policies (prefixed SP);
 - **Part Three** - Other Mineral Related Issues (prefixed OM) and Development Management Policies (prefixed DM);
 - **Part Four** - Monitoring and Implementation Policies (prefixed MO).
- 1.27 Each of the Chapters of Plan is set out in the following way:
- **Introduction and Background** – there is a short introduction to the topic/mineral which gives a context for each of the policies;
 - **Policies** – Policies are written in bold and are contained within a text box.
 - **Reasoned Justification** – This sets out in detail an explanation of the policy, including justification for the approach taken and what the policy seeks to achieve.
- 1.28 Within the Chapters reference is made to the Mineral Planning Authority (MPA) which applies to the relevant Planning Authority that is determining a planning application for mineral or mineral related development i.e. Derbyshire County Council or Derby City Council.

¹¹ NPPF July 2021, Paragraph 21

¹² NPPF July 2021, Paragraph 20

1.29 The NPPF requires that land use designations and allocations should be identified on a policies map. Most of the policies apply plan-wide apart from the following:

SP5 Allocation of Sites for Sand and Gravel Extraction

SP11 Allocation of Site for Industrial Limestone Extraction

SP17 Mineral Resources Safeguarding and Consultation Areas

SP18 Safeguarding Mineral Related Infrastructure.

CHAPTER 2: Spatial Overview

INTRODUCTION

- 2.1 In order to plan for delivering sustainable minerals development, it is important that the Councils are aware of the spatial economic, social and environmental characteristics of the Plan area and particularly the significance and characteristics of the minerals industry. Figure 2.1 shows the Plan area of Derbyshire and Derby¹³ and other key geographical features.
- 2.2 The majority of the Plan area is governed via a two-tier local authority system by the County Council and eight District/Borough councils; Amber Valley Borough, Bolsover District, Chesterfield Borough, Derbyshire Dales District, Erewash Borough, High Peak District, North East Derbyshire District and South Derbyshire District. In terms of planning, the County Council determines proposals for minerals and waste development and 'County Council' development such as schools, libraries and care homes in its area, whilst the district/borough councils determine all other development proposals. Derby City is a Unitary Authority and, as such, determines proposals for all development within its area.
- 2.3 Derbyshire's¹⁴ estimated population in 2021¹⁵ was approximately 1.06 million people with around 0.26 million living in Derby City¹⁶ and 0.8 million living in the rest of Derbyshire¹⁷. The Plan area is one of contrast. The western part, surrounding the PDNP, is mainly rural in character whilst the eastern part is of a more urban nature containing the majority of the main towns. Derby City, by far the largest urban area, lies in the south of the Plan area. The Plan area is characterised by market towns which include Glossop and Buxton in the north-west, Chesterfield and Bolsover in the north-east, Matlock, Alfreton, Ripley in the central area and Ashbourne, Ilkeston, Long Eaton and Swadlincote towards the south.

¹³ Derbyshire and Derby refers to the geographical county of Derbyshire excluding that part which lies within the PDNP

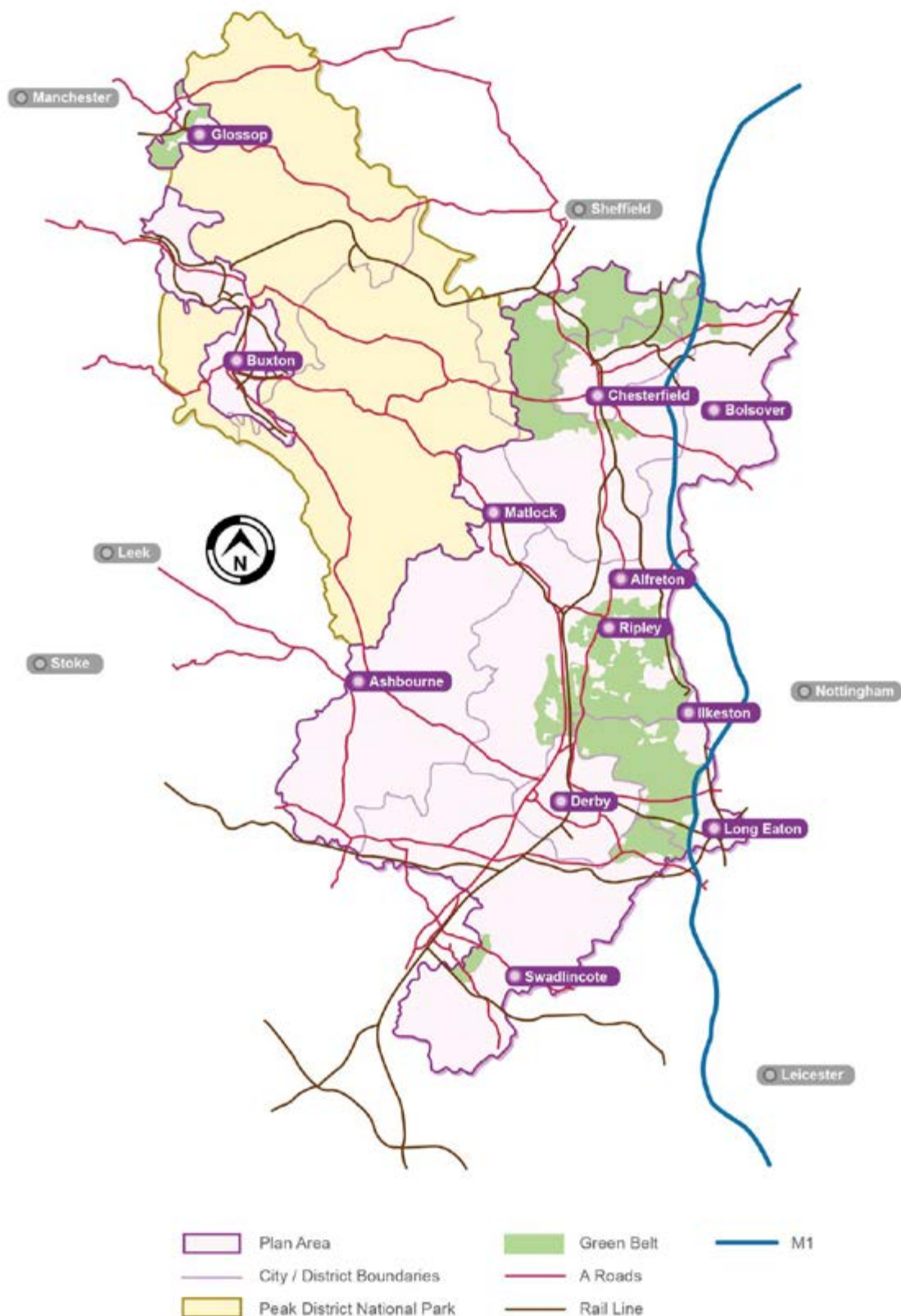
¹⁴ Derbyshire refers to geographical county of Derbyshire including the PDNP

¹⁵ Population and Household estimates for England and Wales Census 2021

¹⁶ The administrative area of Derby City Council

¹⁷ The administrative area of Derbyshire County Council

Figure 2.1 Plan area and key geographic features



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- 2.4 Derbyshire and Derby occupy a central location in England and lie at the northern most point of the East Midlands region. The Plan area lies close to the city of Nottingham and other large scale urban conurbations of Greater Manchester, South Yorkshire and the West Midlands, which have an important influence on the local economy and are important markets for many of the Plan area's minerals.
- 2.5 Figure 2.1 illustrates several green belt areas established to prevent coalescence with neighbouring cities such as Manchester, Sheffield, Nottingham and Burton-on-Trent; to prevent the urban sprawl of the largest settlements within the Plan area, namely Derby and Chesterfield, and to demarcate the individual smaller market towns.

THE SIGNIFICANCE OF THE MINERALS INDUSTRY IN DERBYSHIRE AND DERBY

Introduction

- 2.6 The majority of mineral resources in the Plan area lie within the area administrated by Derbyshire County Council (referred to hereon as Derbyshire). There are limited resources of sand and gravel in Derby City but these have not been worked for many years. Derbyshire is one of the Country's leading producers of minerals and the exploitation of Derbyshire's mineral resources bring significant benefits to both the local and national economy.
- 2.7 The most significant mineral worked is limestone which accounts for 91% of annual mineral production from the Plan area, the next is sand and gravel accounting for 8%. Minerals currently extracted in smaller quantities include sandstone and brick clay which account for less than 1% of total plan area's annual production. Other minerals that are currently worked on a small scale or which have been worked in the recent past include coal, oil and gas and vein minerals (fluorspar and barytes).

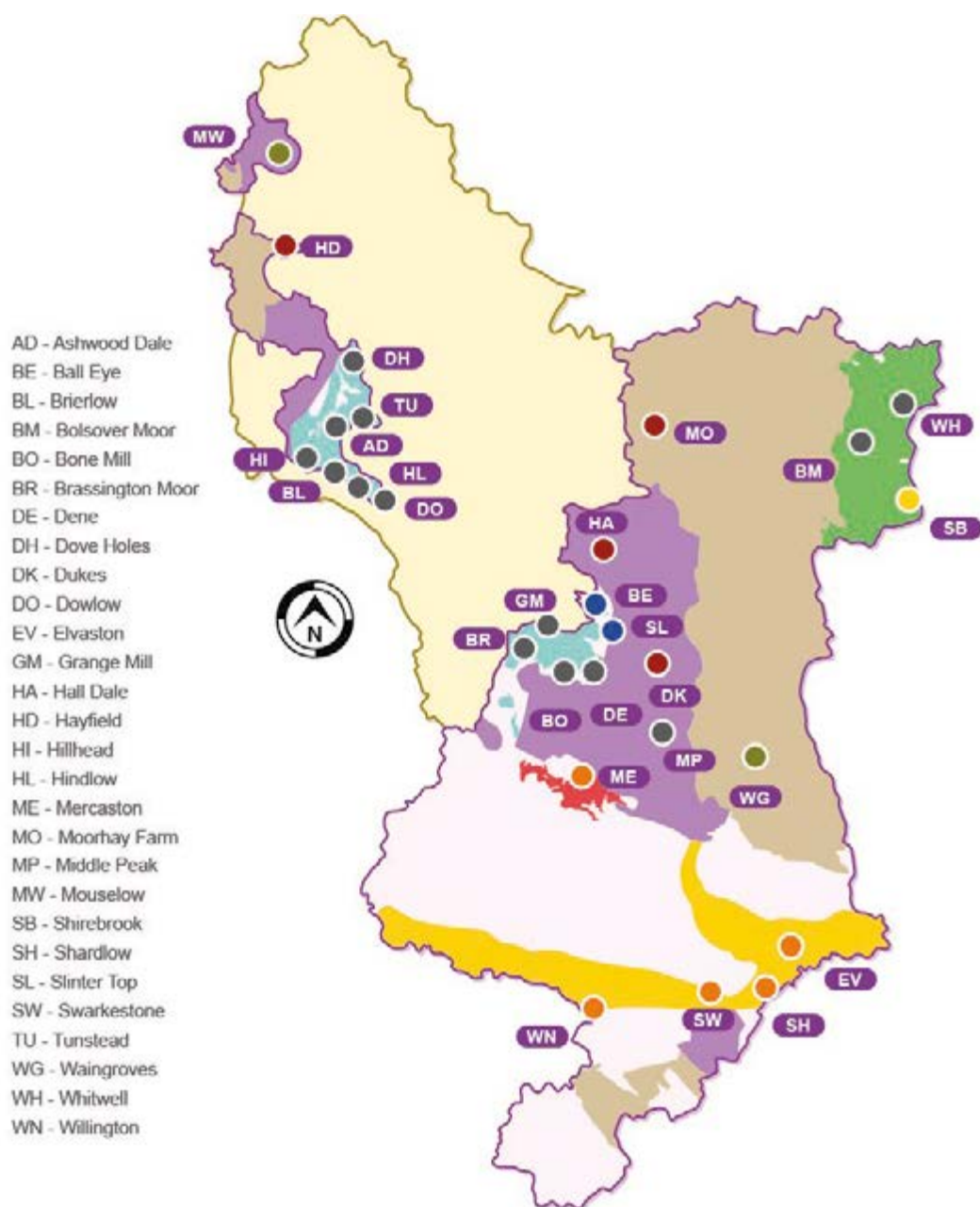
Distribution of Mineral Resources

- 2.8 Figure 2.2 depicts permitted mineral sites and important mineral resources; it shows that large areas of the Plan area have some potential for the extraction of a wide variety of valuable mineral resources.
- 2.9 The most important mineral resource within Derbyshire is limestone. The Carboniferous Limestone resource is located mainly in the north-west of the county, in the Buxton and Matlock/Wirksworth areas whilst the Permian Limestone resource is located in the north-east area of the county, east of Bolsover.
- 2.10 Sand and gravel resources are concentrated along the river valleys, the most important being the Trent Valley to the south of Derby, as well as the adjoining river

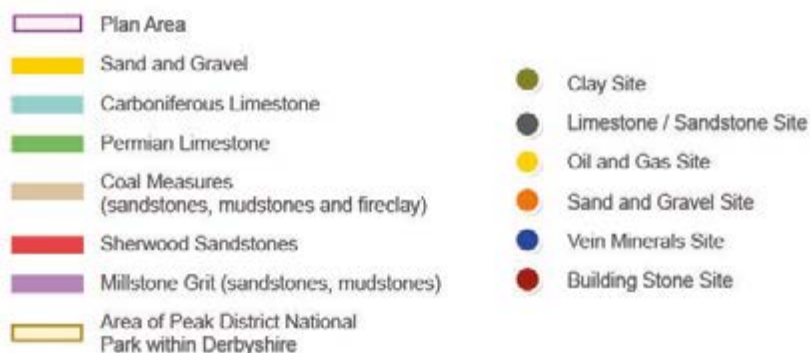
valleys of the Lower Derwent and Dove. There is a less widespread sand and gravel deposit in the hard rock formation of the Sherwood Sandstones found in a small area around Mercaston, between Ashbourne and Belper.

- 2.11 Building stone (mostly sandstone and gritstone but including some limestone) is produced mainly from small quarries in the central part of Derbyshire around Matlock and Darley Dale, and also from the north-west of the county around Hayfield and Glossop.
- 2.12 Workable deposits of vein minerals, such as fluorspar and barytes are found exclusively in mineralised veins and related deposits in the Carboniferous Limestone. Fluorspar occurs only in the northern Pennines and the southern Pennines. Commercial production in the northern area ceased in 1999, leaving the southern area as the remaining source. However, production is limited, with extraction opportunities arising mainly from the quarrying of limestone.
- 2.13 The most important economic resources of clay and shales are of Carboniferous age and are associated with the Millstone Grit and the coal measures, the latter also being a potential source of fireclays.
- 2.14 There are substantial coal resources, particularly in the North Derbyshire Coalfield. Whilst some surface coal resources remain in South Derbyshire Coalfield, they are largely exhausted. There is a remaining resource of deep coal in north-east Derbyshire contiguous with the surface coal resource shown on Figure 2.2 and dipping beneath the Permian Limestone to the east.
- 2.15 There are conventional and unconventional oil and gas deposits in Derbyshire, mainly associated with the coal measures in the north-east of the county. In the recent past abandoned mine methane has been extracted from the former coal mines at Markham, Whitwell and Shirebrook. However, production is presently minimal and the potential for further extraction is considered to be low. Potential unconventional gas deposits associated with the Bowland Hodder shale have also been identified in the north-east of the Plan area and to the east of Derby. This resource has not been exploited to date and potential is considered to be low.

Figure 2.2 Mineral Resources and Permitted Mineral Sites



Note: Permitted sites classified as "dormant" under the 1995 Environment Act are not included



Mineral Production

- 2.16 The majority of limestone and sandstone produced within the Plan area is for aggregate purposes used in building and construction, for example, in road making, house construction, in the manufacture of concrete and as railway ballast. In 2021, the Plan area produced approximately 8.95 million tonnes of aggregate crushed rock¹⁸. Figures show that 34% of this total was used within Derbyshire, Derby and the PDNP;¹⁹ with a further 6% consumed within the remaining East Midlands region. A significant proportion of Derbyshire's production was exported to the North West (21%) and 15% to the Yorkshire/Humber Region. The West Midlands and East of England together also take a significant amount (10% and 7% respectively) and the South East, London, Home Counties, Wales and the South West 7% between them. In 2021, there were a total of thirteen operational quarries within Derbyshire extracting limestone, of which twelve exploit the Carboniferous resource and one the Permian resource.
- 2.17 Derbyshire makes an important national contribution to the supply of minerals used for industrial processing and manufacturing purposes supplying 85% of the country's industrial limestone for animal feedstuffs, glass, sealants and adhesives. Annual production of around 3 million tonnes is supplied from the Plan area and used in applications such as cement manufacture, flue gas desulphurisation, water purification, steel making, agricultural improvement and in the production of a diverse range of products, for example, animal feedstuffs, glass, paints, plastics, sealants, pharmaceuticals etc. All of the quarries that produce industrial minerals also produce aggregates as well. At 2021, Whitwell, Tunstead, Brierlow, Dowlow, Hindlow, Longcliffe and Grangemill quarries were the major suppliers of industrial mineral. Tunstead Cement works, near Buxton is one of only 11 cement works in the UK fed from its adjacent quarry. Whitwell Quarry is only one of only two sources of specialist industrial dolomitic limestone in the country. It supplies the adjacent Whitwell Works which produces refractory products for use in the manufacture of steel; a large percentage of the products are exported.
- 2.18 Sand and gravel produced in the Plan area is also used for aggregate purposes primarily in ready mixed concrete, precast concrete products and as a bulk filler. In Derbyshire, a high percentage is used to make concrete. Sand is used mainly in making mortars and asphalt or building sand. In 2021 Derbyshire produced 0.99 million tonnes of sand and gravel from four active quarries, three located along the Trent Valley and one at Mercaston on the Sherwood Sandstone resource. Most active quarries have ready mixed concrete plants on site, producing concrete for

¹⁸ Local Aggregate Assessment 2022

¹⁹ Mainly within Derbyshire and Derby due to development restrictions in the PDNP

precast concrete plants. Most is used within 10 – 15 miles from where it is quarried, mainly because of the high cost of transport and competition from other sources of aggregate in the area.

- 2.19 Building stone is important for the repair and restoration of historic buildings, the repair/extension of existing properties or for new buildings in areas of high environmental value, such as conservation areas. It is not only of great importance for the conservation of Derbyshire's historic and built environment, but it is also valued nationally. In Derbyshire, in 2021, there are five quarries that produce stone specifically for building purposes. Larger quarries, producing mainly aggregate as their principal product, also produce some quantities of building stone to order, as an ancillary product.

- 2.20 There are two operational brick clay quarries supplying material to brick making plants that lie outside of the Plan area. Mouselow Quarry at Glossop supplies Denton brickworks in Tameside. It also produces sandstone for building purposes as an ancillary product. Waingroves Quarry near to Ripley produces brick clay for export to Kirton brickworks in Nottinghamshire and Desford brickworks in Leicestershire for blending purposes. Total annual production from the Plan area is around 100,000 tonnes.

- 2.21 Historically, Derbyshire was an important supplier of deep mined and opencast coal principally used in industrial processing, for domestic fuel and to produce electricity. In the recent past a small drift mine was in operation at Eckington producing about 20,000 tonnes per annum but this closed in 2019. At present there are no coal mining sites in operation. Oil and gas are used to produce energy and are also used as a raw material by the petro-chemicals industry to produce drugs and plastics. There is currently one site in Derbyshire producing a small quantity of gas (abandoned mine methane) at the former Whitwell Colliery. In view of the climate change agenda and the move away from the use of carbon rich fossil fuels for energy production the future importance of the coal and oil and gas resources in the Plan area is uncertain.

- 2.22 The Plan area also produces secondary and recycled aggregates and there are a number of permanent, dedicated recycled aggregates production facilities (e.g. Chaddesden Sidings and Cotes Park Industrial Estate) in the area together with other, smaller sites which incorporate recycled aggregate production as part of their wider waste management operations. There are also a number of temporary mobile recycling operations within the county, some at quarry sites.

Restoration and the Legacy of Mineral Working

- 2.23 Mineral working can have large scale impacts on the landscape and uses of land, and whilst extraction is temporary in nature, impacts can be long term and even permanent. It is important that worked out sites are restored at the earliest

opportunity. The after use of mineral working depends to some extent on the nature of working and the availability of fill material which dictates whether the site can be restored to its original levels or to new innovative landscapes. Nevertheless, in general the restoration of mineral sites provides great opportunities to restore land to a wide range of after uses which can benefit both the local and wider community including employment, nature conservation, recreation, forestry/woodland, agriculture, water storage as well as increasing public access.

- 2.24 The scale of limestone/sandstone quarries means that infilling is not usually an option, with final restoration influenced by the depth of the quarry and the level of the water table. Deeper remote quarries are often left to regenerate naturally, and in such cases, they can become important areas for wildlife, biodiversity and natural history. In shallower quarries, the quarry floor can be restored for agriculture or for informal leisure uses or built development e.g. housing has been developed at the former Cawdor Quarry.
- 2.25 Sand and gravel workings are much shallower and therefore easier to fill. In the past many sites were returned to agricultural use. More recently, sites have been restored to alternative beneficial nature conservation and recreational after-uses, for example, Attenborough Nature Reserve, windsurfing at Long Eaton, sailing at Swarkestone and fishing at Shardlow. In the future, the contribution that the restoration of sand and gravel sites can make to increasing our resilience to climate change and particularly the risk of flooding is likely to become more important by using the extraction area next to the river for river braiding or widening or to provide increased capacity for winter flood water storage. An example of former workings restored to water storage use is Witches Oak Water, near Elvaston.
- 2.26 Historically, the coalfield area of Derbyshire was the location of many deep mines and opencast coal workings which have been regenerated to provide new landscapes and opportunities to deliver local economic growth e.g., Markham Vale, and local recreational opportunities, e.g. Shipley Country Park, Grassmoor Country Park, Poolsbrook Country Park, Pleasley Country Park and the Five Pits Trail.

SPATIAL CHARACTERISTICS OF DERBYSHIRE AND DERBY

Population and Households

- 2.27 Almost 25% of Derbyshire's²⁰ estimated population of 1.06 million people live within Derby City²¹. Derby City displays a younger population, with approximately 19% in the 0-15 age group compared to 16% for the rest of Derbyshire²². The corresponding

²⁰ Derbyshire refers to geographical county of Derbyshire including the PDNP

²¹ The administrative area of Derby City Council

²² Population and Household estimates for England and Wales Census 2021

figure for the East Midlands and England is 17%. Similarly, Derby City has 16% of its population in the plus 65 age group compared to 22% for the rest of Derbyshire. The figure for the East Midlands is 20% and 18%. By 2043 the percentage of over 65s is anticipated to have risen to 21% in Derby City and 27%²³ in the rest of Derbyshire. An above average elderly population may be important when looking at the health impacts of mineral working.

- 2.28 The latest ONS Population Projections (2018 based) predict that by 2043 Derbyshire's population will increase by 13% whilst Derby City's population will increase by 7%. Growth is planned particularly for South Derbyshire where the population is estimated to grow by 30% over the same period.
- 2.29 In 2018 there were 350,234 households in Derbyshire. This number is expected to increase by 18% to 413,575 in 2043. Figures for Derby City estimate an 11% increase over the same period from 104,123 to 115,806. Percentage increases for households in the East Midlands and England are 20% and 16% respectively.

Economic and Social Conditions

- 2.30 Derbyshire and Derby has a diverse and thriving economy. Its central location means that residents and businesses contribute to and benefit from neighbouring economies, particularly those of Manchester, Nottingham and Sheffield. In June 2022 the percentage of 16 to 64 year olds in employment was 76% in Derbyshire, 74% in Derby City compared to 76% in England.²⁴ At September 2022, Derbyshire's unemployment rate was 2.6% compared to Derby City's 4.7%, the average for England was 3.8%.²⁵
- 2.31 The employment profile of Derbyshire and Derby differs from that of England in that manufacturing remains an important sector in both the city and the rest of the County; in 2020 it accounted for 20% of employment in Derby and 16% in Derbyshire compared to the national average for England of 8% and 12% for the East Midlands.²⁶ Another notable difference in Derby City is employees in high technology manufacturing which accounts for 10% of employment. In Derbyshire, East Midlands and England it is much lower at 0.5 %, 1.4% and 0.8% respectively.²⁷
- 2.32 Whilst there are no separate figures available for employment in the mining and quarrying industry for the Plan area, it is known to be insignificant in Derby City and

²³ ONS 2018 based subnational population projections (Derbyshire County Council Observatory) <https://observatory.derbyshire.gov.uk/>

²⁴ Source Derby City Council <https://info4derby.derby.gov.uk> and Derbyshire County Council <https://observatory.derbyshire.gov.uk>

²⁵ Source Derbyshire County Council <https://observatory.derbyshire.gov.uk>

²⁶ Derbyshire County Council <https://observatory.derbyshire.gov.uk> skills and economy headlines Oct 2022

²⁷ Derbyshire County Council <https://observatory.derbyshire.gov.uk> skills and economy headlines Oct 2022

has declined considerably in Derbyshire following the demise of the coal industry. Nevertheless, nationally Derbyshire remains an important leader in the supply of aggregate and industrial minerals and employs an above average number of employees in this sector. From the information available, a study²⁸ undertaken in 2017 estimated that in High Peak and Derbyshire Dales, (where most of the limestone quarries are located), there were 925 (full time equivalent (FTE) jobs in the mining and quarrying sector, accounting for 82% of Derbyshire's workforce in that sector and 5.4% of national jobs in that sector. The study further estimated that the sector supports an additional 1,437 FTE jobs across those two district council areas. These districts are predominantly rural areas where employment opportunities can be scarce.

- 2.33 Derbyshire and Derby is a contrasting area in terms of deprivation. The index of multiple deprivation measures deprivation based on 8 factors: Income, Employment, Health and Disability, Education Skills and Training, Crime, Barriers to Housing and Services and Living Environment at a small neighbourhood level called 'lower super output areas' (LSOAs) which have an average of 650 households. Results published in 2019 show that 16% of Derby's LSOAs were in the top 10% of England's deprived areas compared to 4.5% for Derbyshire. However, within Derbyshire, there are significant differences, Chesterfield (8.7%) and Erewash (5.5%) contain the greatest proportions of their LSOAs within the most deprived 10% nationally, followed by Bolsover (parts of Bolsover and Shirebrook), High Peak (parts of Gamesley), and Amber Valley (parts of Ironville, Riddings and Langley Mill). Derbyshire Dales and North East Derbyshire have one of their LSOAs in the most deprived 10%, whilst South Derbyshire has none.²⁹

Transport

- 2.34 The Plan area is located centrally within England and has a good strategic road network which provides important links to the large neighbouring conurbations and other areas of the country. North-south routes are provided via the M1, the A38 and the A61. The A50 links the A42, M42 and then to the M6 whilst the M42 links to the M40 and then the M5 in the south west.
- 2.35 In 2019, 79% of domestic UK freight transport was by road, 9% by rail and 13% by water.³⁰ A significant issue in the Plan area in relation to transporting minerals is the impact of heavy good vehicles on local communities and other road users. In some areas, heavy goods vehicles can account for up to 25% of traffic³¹. High volume

²⁸ Minerals Extraction in High Peak and Derbyshire Dales: A Sector Benefits Study 2017

²⁹ Source Derby City Council <https://info4derby.derby.gov.uk> and Derbyshire County Council <https://observatory.derbyshire.gov.uk> – English Indices of Deprivation 2019 MHCLG.

³⁰ Department of Transport Freight Statistics 2019 (table TSGB043)

³¹ Derbyshire Local Transport Plan 2011-2026.

long-life limestone aggregates quarries are the only quarries currently transporting mineral by rail, and this is likely to remain the case in the foreseeable future. However, the use of rail continues to increase and in 2021 approximately 50% of limestone aggregate was transported by rail. Four aggregate limestone quarries are currently rail linked namely Doveholes, Tunstead, Dowlow and Hindlow and a further permitted quarry Hillhead is anticipated to recommence production during the Plan period with the intention of using rail to transport mineral.

- 2.36 In terms of air quality, a number of areas suffer from excessive air pollution, mainly associated with traffic, and within the Plan area, nine areas are covered by Air Quality Management Areas (AQMAs) where air quality is in need of improvement. These are in Derby (2), High Peak (2), Derbyshire Dales (1), Chesterfield (1), Erewash (2) and Bolsover (1). A further one is proposed for the A61, A617 and A619 corridors through Chesterfield.³² An additional Government initiative aimed at improving air quality associated with traffic pollution is the identification of zones which are in exceedance (non-compliance) of EU limit values for annual average Nitrogen dioxides (NO₂). Derby has been identified as a location of NO₂ non-compliance within the East Midlands zone and is required to implement a Clean Air Zone (CAZ) to improve air quality in the shortest possible time.

Natural, Built and Historic Environment

- 2.37 Figure 2.3 depicts the important environmental assets that lie within Derbyshire and Derby. The Plan area contains a variety of very different landscapes, from the upland limestone plateau and gritstone moorlands in the north of the county adjacent to the PDNP, through the rolling pasture lands in the central area to the broad river valleys in the south. The landscape of the PDNP and nearby areas attracts significant numbers of tourists and day visitors, and tourism is an important part of the local economy. Many landscapes of the county, however, exhibit the legacy of large-scale mineral extraction; for example the limestone quarries in the north and west of the county, the sand and gravel workings to the south along the Trent Valley and the former coal mining areas in the east.
- 2.38 As well as lying adjacent to the PDNP, the Plan area contains many important natural, built and historic assets. Much of the county is worked as farmland, almost all of which is classified under the Agricultural Land Classification (ALC)³³ as grade 3 and 4. Some grade 2 land is located to the south of Ashbourne and in the north-east of the county to the east of Bolsover.

³² DEFRA Air Quality Management Areas

³³ Natural England - Agricultural Land Classification Maps

- 2.39 The Plan area contains one of the five biggest areas of interconnected ancient woodland in the country focused within the Peak Fringe and the Lower Derwent Valley. Part of the Plan area around Swadlincote and Melbourne, lies within the National Forest, an environmental project aimed at creating 200 square miles of mixed habitat forest.
- 2.40 The three main rivers in the Plan area are the Trent, the Derwent and the Dove. As well as their importance for informal leisure, recreational activities and wildlife, all of the rivers have important flood defence regimes, including functional flood plains, which need to be protected and managed effectively, especially in relation to the potential effects of climate change. Within the south of the Plan area, restoration schemes associated with sand and gravel sites can provide opportunities towards reducing the risk and scale of flooding. There are five canals within the Plan area, Peak Forest, Chesterfield, Cromford, Erewash and Trent and Mersey which are important for informal leisure and recreational activities and wildlife.
- 2.41 The Plan area possesses an extensive network of statutory and non-statutory sites designated for their biodiversity and/or geodiversity interest. The most significant of these, the ‘European sites’ (previously known as Natura 2000 sites), are designated at an international level. European sites are considered to be of exceptional importance in respect of rare, endangered or vulnerable natural habitats and species and include Special Areas of Conservation (SACs) and Special Protection Areas (SPAs). Within the Plan area there are three European sites – Peak District Dales SAC, Peak District Moors SPA and South Pennine Moors SAC, with a further two (Bees Nest & Green Clay Pits SAC and Gang Mine SAC) located within the PDNP. The River Mease SAC is located on the Derbyshire/Staffordshire border. The Birklands and Bilhaugh SPA and the Sherwood Forest potential Special Protection Area (pSPA) are in Nottinghamshire.
- 2.42 Targets for the creation of priority habitats are set out in the Government’s ‘Biodiversity 2020’ strategy according to different National Character Areas (NCAs) as identified by Natural England. These are then sub-divided into landscape character types (excluding the PDNP). These are detailed in the Derbyshire County Council publication the Landscape Character of Derbyshire (2013).
- 2.43 The Derwent Valley Mills World Heritage Site, between Matlock Bath and Derby, is of international importance and a significant tourist attraction. The reason for this international designation is that the valley saw the birth of the factory system, spearheaded by Richard Arkwright, when new types of buildings were erected to house new technology for spinning cotton. The need to provide housing and other facilities resulted in the creation of the first modern industrial settlement at Cromford. Creswell Crags in the north-east of the county is a candidate World Heritage Site,

having the only Upper Palaeolithic cave art found in Britain.³⁴ The archaeological heritage is derived from the underlying geology, influencing the character and type of the remains.

- 2.44 The Plan area has 53 Sites of Special Scientific Interest (SSSIs); 1 National Nature Reserve (at Calke Abbey); around 1200 local wildlife sites and 101 Regionally Important Geological Sites, half of which lie within the Derbyshire Dales.³⁵ There are 9,500 entries on the Sites and Monuments Record; 476 Scheduled Monuments; 5,941 Listed Buildings and 486 Conservation Areas. Registered Historic Parks and Gardens include Calke Abbey, Hardwick Hall, Bolsover Castle, Kedleston Hall and Melbourne Hall.

³⁴ Derbyshire County Council Historic Environment Record

³⁵ [Magic.defra.gov.uk](https://magic.defra.gov.uk),

Figure 2.3 Key Environmental Assets



CHAPTER 3: Strategic Priorities

INTRODUCTION

- 3.1 The NPPF³⁶ requires that local plans provide ‘a positive vision for the future of each area; a framework for addressing economic, social and environmental priorities for the area and a platform for local people to shape their surroundings.’ The Vision and Objectives are central to the Plan, setting out the high level, strategic priorities for future mineral development. The Vision sets out what the Plan area will be like in terms of mineral development by the end of the Plan period, at 2038, if the Plan’s objectives have been achieved and its policies have been successfully implemented. The Objectives set out the key goals that will need to be attained in order to make the Vision a reality.
- 3.2 The Vision and Objectives are based on the strategic priorities that were identified by the ‘Stakeholder Workshop’ held at the start of the preparation of the plan. They also take account of national planning policy requirements, other relevant national and local strategies and factors identified by the Plan’s ‘Spatial Overview’. They have been updated and refined as Plan preparation has progressed, taking into account changes to national planning policy and other strategies, representations received, duty to co-operate requirements and Plan assessments and appraisals.

The Vision

- 3.3 Over the Plan period to 2038, the Plan will continue to deliver sustainable minerals development ensuring that the supply of minerals from Derbyshire and Derby will continue to reflect the importance of the minerals industry in the Plan area, and will continue to make a positive contribution to delivering sustainable economic growth, supporting the health, well-being, safety and amenity of local communities, protecting, conserving and enhancing the natural, built and historic environment and mitigating and adapting to the impacts of climate change.
- 3.4 The supply of minerals will have the support of those who live and work in the area through the close co-operation between the minerals industry, local communities, local authorities within and adjacent to the Plan area and all other interested parties.

³⁶ NPPF July 2021, Paragraph 15

- 3.5 Mineral development will provide a steady and adequate supply of minerals to meet national, sub-national and local needs, supporting growth, regeneration and economic development and contributing to the prosperity of the local and national economy. A compensatory supply of minerals from the Plan area will assist in achieving a progressive reduction of minerals supplied from sites within the PDNP and help protect the special quality and characteristics of the National Park area.
- 3.6 Mineral development will adopt a holistic approach to natural resource protection, conservation and enhancement, taking into account the value of ‘natural capital’ to society. In relation to minerals, development will maximise the use of substitute, secondary, recycled and re-used minerals and mineral wastes in order to minimise the need for primary minerals and ensure their conservation in the long term. The locally and nationally important known mineral resources and mineral related infrastructure of the Plan area will continue to remain available for future use, having been safeguarded against sterilisation from non-minerals development. In relation to other natural resources, such as water supply and quality, soils, best and most versatile agricultural land, tranquil areas mineral development will protect, conserve and enhance such assets.
- 3.7 Whilst minerals can only be worked where they are found, in order to protect the amenity, health, safety and well-being of local communities and to protect, conserve and enhance the natural, built and historic environment, mineral development will be located, designed and operated to ensure that any adverse impacts, including cumulative impacts, will be mitigated to an acceptable level through good design and the imposition and monitoring of planning conditions and obligations. Mineral development will support the high-quality restoration and aftercare of sites at the earliest opportunity, to the most appropriate after use taking into account aviation safety, providing maximum local and strategic benefits to the area and local communities including benefits that will contribute towards emissions reduction and climate change adaptation and resilience.
- 3.8 Mineral development will be located, designed and operated in ways which maximise sustainable associated transport, reduce flood risk, optimise on-site water and energy use, maximise energy provision from renewable and low-carbon sources and mitigate and adapt to the impacts of climate change, including a reduction in greenhouse gas emissions in line with national and local carbon targets as we move towards the national ‘zero carbon emissions’ target of 2050.

The Objectives

Objective 1 - Ensuring a Steady and Adequate Supply of Minerals

- 3.9 To bring forward sufficient land, in the right location and at the right time, to enable the provision of a steady and adequate supply of aggregates and other important minerals, over the Plan period, to meet national, sub-national and local needs and to support sustainable economic growth and local and national economic prosperity.

Objective 2 – Ensure the Prudent use of Primary Mineral and other Natural Resources

- 3.10 To ensure the prudent use of all natural resources and in relation to minerals, the prudent use of primary resources to enable their long-term conservation through minimising waste, maximising levels of secondary and recycled aggregates, re-using minerals, re-working tipped waste material and controlling the end-use of minerals.

Objective 3 – Safeguarding Mineral Resources and Mineral Related Infrastructure

- 3.11 To ensure that known important mineral resources, existing quarry operations, and the infrastructure that is used to process and transport extracted minerals are safeguarded from inappropriate development on or in the proximity to such operations/resources that would impair their availability and use for future generations.

Objective 4 – Ensuring the Sustainable Transport of Minerals

- 3.12 To minimise the potential adverse impacts of minerals development by road-based transport, including emissions, and maximise the use of alternatives to road transport including rail, water, conveyor and pipeline.

Objective 5 – Protecting Local Communities

- 3.13 To protect the existing amenity, health, safety and well-being of local communities from visual impacts, noise, dust, vibration, emissions to air, light pollution, land instability, ground contamination and transport impacts by avoiding, minimising and mitigating potential adverse impacts, including any cumulative impacts of minerals development, taking into account the legacy of the minerals industry and other industrial development in the Plan area.

Objective 6 – Protecting, Conserving and Enhancing the Natural, and Built and Historic Environment

- 3.14 To protect, conserve and enhance the natural, built and historic environment, of the Plan area including its distinctive landscapes, green and blue infrastructure, habitats, wildlife, historic buildings, parks and gardens,

archaeology, ancient woodlands and veteran trees, soils and best and most versatile agricultural land, green belt, tranquil areas, dark skies and other important features and assets, by avoiding, minimising and mitigating potential adverse impacts, including any cumulative impacts, of minerals development, taking into account the legacy of the minerals industry and other industrial development in the Plan area.

Objective 7 – Protecting the Peak District National Park

- 3.15 To protect, conserve and enhance the landscape, scenic beauty, wildlife and cultural heritage of the PDNP by providing for a compensatory supply of aggregate crushed rock from the Plan area to enable a progressive reduction of those minerals supplied from sites within the PDNP, and by ensuring that any mineral development within the setting of the PDNP is sensitively located and designed to avoid adverse impacts on the designated landscape of the adjoining PDNP.

Objective 8 – Minimising the impacts on Climate Change and Flood Risk

- 3.16 To reduce the effect of mineral development on the causes of climate change and facilitate adaptation to the effects of climate change, including flood risk, mineral development will be located, designed and operated in ways which; reduce greenhouse gas emissions to meet national and local carbon targets; optimise on-site water and energy use; maximise energy provision from renewable and low-carbon sources, incorporate sustainable design and construction techniques, maximise the use of sustainable transport associated with the development, maintain or enhance water quality; reduce the risk of flooding both on site and in the wider area.

Objective 9 – Ensuring the Sustainable Restoration of Mineral Sites

- 3.17 Mineral development will support the high-quality restoration and aftercare of sites at the earliest opportunity, to the most appropriate after use, taking into account aviation safety, providing maximum local and strategic benefits to the wider area and local communities, including benefits that will contribute towards emissions reduction and climate change adaptation and resilience.

Monitoring and Implementation

- 3.18 The effectiveness of the Plan's policies towards achieving the Objectives and delivering the Vision will be monitored so that, if necessary, issues can be identified and addressed through a revision of the Plan, either in whole or part. Details of the monitoring to be undertaken are addressed in Part Four, Chapter 12.

Part 2:

Strategic Policies



CHAPTER 4: Sustainable Minerals Development

INTRODUCTION

- 4.1 The NPPF requires that the development plan must include strategic policies to address each of the local planning authority's priorities for the development and use of land in its area.³⁷ The NPPF requires that strategic policies should set out an overall strategy for the pattern, scale and quality of design of places and, amongst others, make provision for the supply of minerals, the protection, conservation and enhancement of the natural, built and historic environment, and planning measures to adapt to and mitigate against the impacts of climate change.
- 4.2 Plans should make explicit which policies are strategic policies, and those policies should look ahead over a minimum 15-year period from adoption. Strategic policies are required to provide a clear strategy for bringing sufficient land forward at a sufficient rate to meet objectively assessed needs over the plan period, in line with the presumption in favour of sustainable development. Local plans are also required to contain a key diagram setting out the broad locations for development.
- 4.3 The Councils' priorities for the development and use of land in their areas are set out in the Plan's Vision and Objectives, which reflect the Councils' desire to deliver sustainable minerals development in accordance with the NPPF. Delivering sustainable minerals development will be achieved by the combined implementation of all the policies of the Plan.
- 4.4 When considering proposals for mineral development, the MPA will take a positive approach that reflects the presumption in favour of sustainable development contained in the NPPF. The MPA will always work proactively with applicants to secure well-designed schemes and development that improves the economic, social and environmental conditions in the Plan area. Proposals that accord with the policies in this Plan (and, where relevant, with policies in other local and neighbourhood plans) will be approved without delay unless material considerations indicate otherwise.

³⁷ NPPF July 2021, Paragraph 17

- 4.5 Where there are no policies relevant to the proposal, or relevant policies are out-of-date at the time of making the decision, the proposed mineral development will be approved unless specific policies of the NPPF that protect areas or assets of particular importance provide a clear reason for refusal, or any adverse impacts of granting planning permission would significantly and demonstrably outweigh the benefits when assessed against the policies of the NPPF as a whole.
- 4.6 The Strategic Policies are set out in Part Two of the Plan. They provide a framework for addressing the strategic priorities encompassed in the Vision and Objectives of the Plan. This chapter, through Policy SP1, sets out the high-level policy requirements that development proposals will need to meet in order to deliver sustainable development relevant to the Plan area. The remaining policies in Part Two add detail to those requirements. The Key Diagram, Figure 4.1, provides a geographical picture of the strategic priorities by showing the location of important settlements and the PDNP, the principal transport network, important mineral resources and mineral sites and key patterns of crushed rock aggregate flows from the Plan area.
- 4.7 The term ‘proposals for mineral development’ includes the exploration and extraction of minerals both above and below ground, the processing and transportation of minerals and the restoration of mineral sites. It includes the location, design and operational practices of development associated with new and existing mineral sites. The term ‘minerals related development’ refers to the infrastructure, plant and vehicles used to extract, process and transport minerals and restore mineral sites.
- 4.8 Mineral development and mineral related development can often have the potential to cause adverse impacts. A key objective of the Plan is to ensure that those impacts are mitigated and controlled to ‘acceptable levels’. This term is not defined in the Plan because ‘acceptability’ will be assessed on a case-by-case basis taking into account the scale, nature and location of the proposal, the characteristics of the various environmental effects likely to arise from the development and the opportunities for mitigation measures that may be applied.
- 4.9 **It is important to note that in assessing planning proposals for mineral development and mineral related development ALL POLICIES OF THE PLAN AND THEIR CRITERIA WILL APPLY WHERE RELEVANT and therefore the Plan should be read as a whole, taking into account the scale, nature, location and type of the development proposed.**

POLICY SP1: SUSTAINABLE MINERALS DEVELOPMENT

Proposals for mineral development and mineral related development will be supported where they contribute towards achieving the economic, social and environmental objectives of sustainable development and where applicable, they:

- 1) maintain the production of minerals over the Plan period to meet a local, sub-national or national need for the mineral and support economic growth, including a compensatory supply of aggregate crushed rock to support a progressive reduction of supply from the adjoining PDNP;**
- 2) are justified in that location taking into account the need for the specific mineral;**
- 3) enable the continued use of existing appropriately located and designed quarry plant and infrastructure;**
- 4) protect and/or provide additional local employment and support local businesses and economic prosperity;**
- 5) ensure the prudent use of mineral and other natural resources, including water, soils, best and most versatile agricultural land and tranquil areas to support their long term conservation;**
- 6) minimise waste and increase the level of supply of secondary and recycled aggregates, re-used minerals and re-worked minerals from tipped waste material;**
- 7) involve the prior extraction of minerals to enable non-mineral development to take place;**
- 8) minimise any adverse impacts from vehicles used in the extraction and transport of minerals by road, including emissions, and maximise the use of more sustainable transport modes including rail, water, conveyor and pipeline;**
- 9) protect the existing amenity, health, well-being and safety of local communities by avoiding, minimising and mitigating adverse impacts;**
- 10) result in an acceptable level of cumulative impacts, particularly taking into account impacts from the legacy of the minerals industry and nearby industrial/commercial development;**

- 11) protect, conserve and enhance the Plan area's natural, built and historic environment by avoiding, minimising and mitigating adverse impacts and by seeking multifunctional environmental enhancements during restoration;
- 12) would deliver measurable and significant net gains for biodiversity and establish a coherent and resilient ecological network;
- 13) are sensitively located and designed to avoid or minimise adverse impacts on the adjoining PDNP, where they are located within its setting;
- 14) protect the openness of the Green Belt and do not conflict with the purposes of including land within it;
- 15) provide high quality restoration and after care at the earliest opportunity, taking into account aviation safety, and result in an appropriate after-use, providing maximum local and strategic benefits to both local communities and the wider area;
- 16) contribute towards a strategic approach to restoration within the river valleys in the south of the Plan;
- 17) reduce impacts on the causes of climate change including reducing carbon dioxide (and other greenhouse gas) emissions, and facilitate adaptation to increase resilience to the future impacts of climate change including the risk of flooding; and
- 18) improve water and energy efficiency and maximise the use of renewable and low-carbon energy sources.

REASONED JUSTIFICATION

- 4.9 For minerals, the principal requirement of the NPPF is that planning policies should enable their steady and adequate supply by providing for the extraction of mineral resources of local and national importance with the aim of sourcing mineral supplies indigenously. To ensure that sufficient land is brought forward to maintain an adequate and steady supply of minerals, Criterion 1 supports the continued production of minerals throughout the plan period to meet local, sub-national and national needs.
- 4.10 The NPPF sets out different requirements for maintaining supply depending on the type of minerals and their end uses. For aggregate minerals which are used in building and construction, supply is maintained country-wide through

the managed aggregate supply system (MASS) and through the maintenance of landbanks of permitted reserves for crushed rock and sand and gravel. At the local level, MPAs are required to prepare annual Local Aggregate Assessments (LAAs) to assess the demand for and supply of aggregates to inform plan preparation. At the sub-national level, MPAs belong to and take advice from Aggregate Working Parties (AWPs). In Derbyshire and Derby's case, this is the East Midlands AWP. They monitor demand and supply over that geographical area and a National Co-ordinating Group monitors the overall provision of aggregates in England. Derbyshire is an important supplier of aggregates, meeting both local, sub-national and national needs.

- 4.11 MPAs are required to make provision in their local plans to ensure the supply of aggregates over the Plan period which in the case of this Plan is to 2038. Such provision should take the form of specific sites, preferred areas and/or areas of search and locational criteria as appropriate. Important aggregate minerals supplied from the Plan area include limestone and to a lesser extent sandstone which are located on the Carboniferous and Permian Limestone resources and the Millstone Grit resource respectively. A further important aggregate is sand and gravel, extracted from the river valleys of South Derbyshire and to a lesser extent the Sherwood Sandstone resource. Detailed policies enabling the supply of aggregates are set out at Chapter 6.
- 4.12 Much of the Plan area adjoins the PDNP, which as well as supplying crushed rock aggregate is also designated for its special qualities, including its landscape, scenic beauty, wildlife and cultural heritage. Derbyshire County Council and Derby City Council have a duty³⁸ to have regard to the purposes of the National Park in coming to decisions or carrying out their activities. To help protect and conserve the special qualities of the National Park, the Plan, in planning for the supply of aggregates, will make provision for a compensatory supply of aggregate crushed rock from the Plan area to enable a progressive reduction of the mineral supplied from sites within the National Park. Further information on this issue is set out in Chapter 6.
- 4.13 For non-aggregate and energy minerals, there is no managed supply system and therefore supply is maintained to meet the market demand for such minerals based on their likely use in industrial and manufacturing processes and energy production. The Plan area is an important supplier of non-

³⁸ Section 62 of the Environment Act 1995 makes it a duty for all relevant authorities (including Government departments and agencies, utility companies and parish councils) to have regard to National Park purposes when coming to decisions or carrying out their activities.

aggregate minerals, including industrial grade carboniferous limestone and industrial dolomitic limestone supplied from the Carboniferous and Permian Limestone resources respectively. Most quarries that produce industrial grade limestone also produce aggregates as well. Chapter 2, the Spatial Overview provides details of the location of mineral resources and minerals production within the Plan area. Chapters 7 and 8 set out policies to enable the continued supply of non-aggregate and energy minerals.

- 4.14 The NPPF requires that sufficient land is brought forward in the right location and at the right time to enable the provision of a steady and adequate supply of minerals. Criterion 2 requires proposals to demonstrate the need for the specific mineral to be worked in that location which may include the need for additional reserves to maintain production at a site i.e., support an extension or the need for the mineral to be worked at that location in relation to the supply of nearby markets. Additional economic factors to be supported favourably, are set out in criterion 3 and, include the continued use of plant and infrastructure provided that it is appropriately designed and located, the retention or creation of employment opportunities and other financial benefits to local businesses and the local economy. The detailed application of these criteria is set out both in the individual Mineral Supply policies at Chapters 6, 7 and 8 and in the Development Management Policies at Chapter 11.
- 4.15 A key principle of sustainability is the need to make prudent use of primary mineral resources and other natural resources to ensure their long-term conservation. Criterion 5 of Policy SP1 requires proposals to demonstrate such requirements which includes the need to restrict high grade minerals to industrial uses rather than aggregate uses. It also requires proposals to demonstrate the prudent use of other natural resources for example, soils, best and most versatile agricultural land and water. The detailed application of this policy is through Policy SP10 Industrial Limestone and through the Development Management Policies at Chapter 11.
- 4.16 To support the conservation of primary mineral resources further, the Plan will take into account the contribution that recycled and secondary aggregates will make to the total supply of aggregates over the Plan period, as part of the managed aggregates supply system, detailed in Chapter 6. Additionally, through Criterion 6, it supports proposals for the production of secondary and recycled aggregates. Secondary aggregates are aggregates from industrial wastes such as glass (cullet) incinerator bottom ash, coal derived fly ash (dry or conditioned PFA), railway ballast; and industrial and minerals by-products, notably spoil tips from mineral extraction. Recycled aggregates are produced

from the processing of inert materials previously used in construction e.g., construction and demolition waste. Policy SP3 the Supply of Recycled and Secondary Aggregates enables the production of such aggregates in appropriate locations. Criterion 6 also supports the reworking of minerals for aggregate purposes from tipped waste material and the Plan facilitates such development through Policy OM2 the re-working of Spoil Tips set out at Chapter 11.

- 4.17 An additional way of conserving primary mineral resources for use by future generations is to safeguard them from sterilisation by non-mineral development. It is important that non-mineral development, such as housing, industry or retail is not built over important mineral resources or located in close proximity to them. Similarly, minerals related infrastructure needed to handle, process or transport minerals requires protection from non-mineral related development. Chapter 9 includes policies to safeguard mineral resources and infrastructure. Where it is necessary for non-mineral development to take place Criterion 7 enables, in principle, the prior extraction of the mineral; proposals will need to satisfy Policy SP17 which sets out the detailed application of this criterion.
- 4.18 Minerals within the Plan area are predominantly transported by road, generating significant HGV movements, which can have both wider impacts on congestion and greenhouse gas emissions as well as more local impacts on amenity and health through noise, vibration and emissions. The NPPF requires planning policies to promote a pattern of development that enables the use of sustainable transport modes in order to reduce congestion and emissions and improve air quality and public health. There are, however, practical and economic limitations in applying this approach to minerals, which can only be worked where they are found. Criterion 8 therefore supports proposals that maximise the use of sustainable modes of transport including rail, water, conveyor and pipelines. Where road transport is unavoidable, adverse impacts should be minimised to acceptable levels. The Criterion also requires that any adverse impacts from vehicles used to extract the mineral should be minimised to acceptable levels. Development management policy DM3 Transport at Chapter 11 sets out detailed criteria on transport issues.
- 4.19 The NPPF recognises that mineral development can generate adverse impacts on the environment, such as noise, dust and particle emissions and blasting vibrations, which can impact on the amenity, health, well-being and safety of nearby local communities. Criterion 9 requires that local communities are protected from the adverse impacts of mineral development. The

Development Management policies at Chapter 11 and, in particular, policy DM1 Protecting Local Amenity sets out the detailed application of this criterion.

- 4.20 The NPPF requires that the cumulative impacts of mineral development is taken into account which is particularly important in former areas of significant mining, such as, the coalfields and in present day areas of significant mining, such as, the Carboniferous Limestone resource area and the River Valley sand and gravels. Criterion 10 requires that the cumulative impact of the proposal is acceptable, Development Management Policy DM15 at Chapter 11 sets out the detailed application of this criterion.
- 4.21 The Plan area and adjacent PDNP is renowned for its varied and attractive landscapes, which support an important tourist industry. Many of the important mineral resources are to be found in these areas of high landscape value, whilst other minerals are located in areas close to the main built-up areas and the historic environments they contain. Criterion 11 requires that proposals protect and enhance the Plan area's natural, built and historic environment by avoiding, minimising and mitigating the adverse impacts of mineral working. In terms of enhancement, Criterion 11 supports the provision of green and blue infrastructure resulting in multifunctional environmental enhancements during site restoration. The detailed application of these criteria is through the Development Management policies at Chapter 11 which afford the appropriate protection of environmental assets according to the hierarchy of their designation and support the creation, maintenance and enhancement of multifunctional green and blue infrastructure.
- 4.22 Mineral working can have a major impact on the biodiversity interests of a site but effective restoration offers significant opportunity to recreate and enhance those interests. It can enable the establishment or re-establishment of priority habitats, thus providing measurable net gains in biodiversity, particularly through providing linkages between fragmented blocks of specific habitat types, delivering strong and coherent ecological networks and linking to the wider green and blue infrastructure network. The Environment Act establishes the principle of environmental gain as a requirement of all development. Criterion 11 supports proposals that deliver measurable and significant biodiversity net gain; the detailed application of this policy is set out in Development Management Policy DM5 Biodiversity and Geodiversity.
- 4.23 The Carboniferous Limestone resource adjoining the PDNP is a particularly important source of limestone for both aggregate and industrial purposes. Criterion 13 requires that any mineral development within the setting of the

PDNP is sensitively located and designed to avoid or minimise adverse impacts on the designation. The detailed application of this policy is set out in Development Management Policy DM4 Landscape.

- 4.24 Green Belt policy seeks to prevent urban sprawl by keeping land permanently open and openness and permanence are key Green Belt characteristics. The general extent of Green Belts within the Plan area is established; key factors influencing their location include the prevention of coalescence with neighbouring urban conurbations such as Manchester, Sheffield, Nottingham, Burton-on-Trent; the prevention of urban sprawl from the largest settlements within the Plan area, namely Derby and Chesterfield and the demarcation of individual smaller towns. The NPPF sets out that, within the Green Belt, mineral extraction is not inappropriate provided it preserves its openness and does not conflict with the purposes of including land within it. Development Management Policy DM11 Green Belt at Chapter 11 sets out the detailed application of Criterion 14.
- 4.25 Although mineral development can have a significant impact on the landscape and characteristics of an area and in some cases may last for long periods of time, it is a temporary use of land. In accordance with criterion 15, restoration is required to take place to a high standard, at the earliest opportunity, to a beneficial after-use, taking into account aviation safety. The benefits of adopting a wider than local approach to restoration should also be taken into account. Development Management Policy DM15 Restoration, Aftercare and After-Use at Chapter 11 sets out detailed requirements for the restoration and after use of mineral sites.
- 4.26 One area has been identified where a strategic approach to restoration is considered important. The river valleys of the Trent, lower Derwent and lower Dove in the south of the Plan area where planned sand and gravel extraction coincides with planned housing growth, including a new garden village and new transport infrastructure. In accordance with Criterion 16, therefore, it is important to adopt a co-ordinated approach to the restoration of sand and gravel sites in the context of the changing landscape of this area and to consider the wider benefits that mineral restoration can contribute towards in terms of landscape character, biodiversity, recreation and public access. Chapter 10, Policy SP19 sets out policy requirements for mineral development proposals within the river valleys. These requirements have also been taken into account in Policy SP5 and in the Principal Planning Requirements at Appendix A, which have been prepared for each of the proposed sand and

gravel site allocations, all of which lie within the Trent, lower Derwent and lower Dove valleys.

- 4.27 The NPPF requires the planning system to support the transition to a low carbon future in a changing climate, taking full account of flood risk. The need to minimise impacts on the causes of climate change, including reducing carbon dioxide (and other greenhouse gas emission) and facilitate adaptation to increase resilience to climate change (including the risk of flooding), and to use resources efficiently, are important requirements of sustainable minerals development. Criteria 17 and 18 set out these ‘high level’ requirements that proposals for mineral development must satisfy in relation to climate change and resource efficiency. The detailed application of these criteria is set out in Chapter 5 Policy SP2 Climate Change, and the application of the Plan’s other strategic and development management policies will ensure that climate change and resource efficiency are fully taken into account when assessing proposals for mineral development and mineral related development.



Doveholes Quarry

THE SUSTAINABLE LOCATION OF MINERAL DEVELOPMENT

- 4.28 Minerals can only be extracted where they occur naturally and therefore any strategy for planning the location of mineral development is constrained by the geographical distribution of mineral resources within the Plan area. In broad strategic terms, as depicted on the Key Diagram, this means that sand and gravel will be extracted in the south of the Plan area and limestone (Carboniferous and Permian) in the more central, north-western and north-eastern parts of the Plan area. Coal and other hydrocarbons are found generally in the more eastern parts of the Plan area.
- 4.29 The strategic locational strategy is further influenced by the different requirements for maintaining supply depending on the type of minerals and their end uses. Aggregate supply, as set out at paragraph 4.11 is maintained through the managed aggregates supply system. A particular feature of the Plan area is the overall scale of crushed rock permitted reserves which are sufficient to meet overall anticipated needs to the end of and beyond the Plan period. These reserves are located at some 12 Carboniferous limestone/sandstone quarries, which are responsible for providing approximately 65% of annual mineral production within the Plan area and which effectively set the overall spatial pattern of mineral development over the Plan period. Many of the same quarries also supply industrial limestone which equates to a further 19% of annual production. Only one operational quarry is located on the Permian Limestone although importantly it supplies industrial dolomitic limestone as well as aggregates (equating to approximately 8%) of total annual production. Further information about the provision of crushed rock aggregate and industrial limestone is set out in Chapters 6 and 7. Sand and gravel accounts for 8% of overall annual mineral production currently supplied from three quarries located in the Trent Valley and one quarry on the Sherwood Sandstones; additional reserves will be required to meet anticipated needs over the Plan period and factors influencing their proposed spatial distribution are set out in Chapter 6.
- 4.30 In addition to economic factors, environmental and social factors will also need to be taken into account in assessing the locational suitability of development. Such policies include maximising sustainable transport modes, protecting local communities and the natural, built and historic environment, mitigating and adapting to climate change and facilitating benefits from both local and wider landscape scale restoration. Policy SP1 Sustainable Development requires that such factors are satisfactorily addressed and its application through the

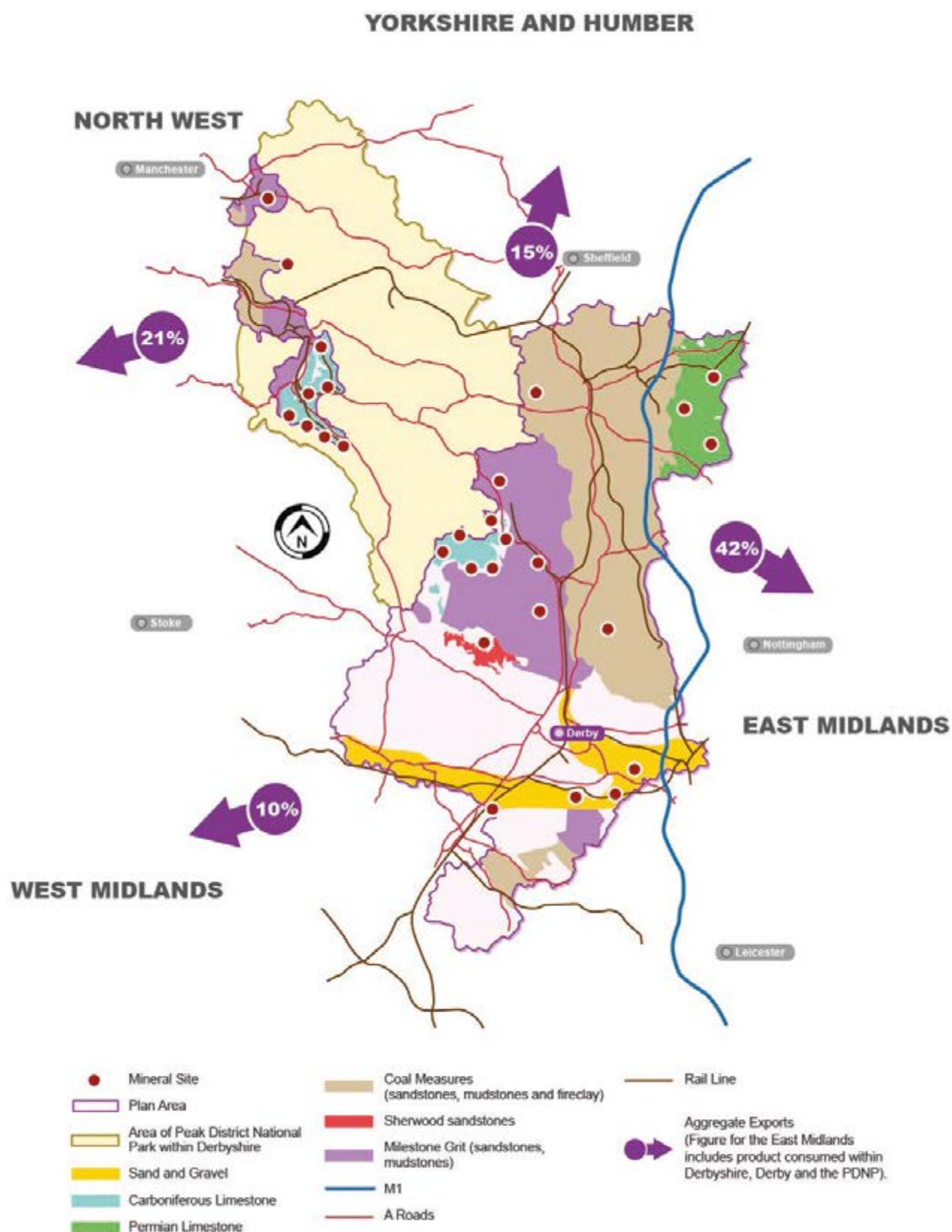
Plan's other strategic and development management policies will ensure that proposals for mineral development and mineral related development are appropriately located.

EXTENSIONS TO EXISTING MINERAL SITES

- 4.31 PPG³⁹ requires that the suitability of proposed mineral development, whether an extension to an existing site or a new site, must be considered on its individual merits. It does set out factors that should be taken into account, which may result in extensions being preferable to new sites. Such factors include the need for the specific mineral; economic considerations (such being able to continue to extract the resource, retaining jobs, being able to utilise existing quarry plant and other infrastructure); positive and negative environmental impacts (including the feasibility of a strategic approach to restoration) and the cumulative impact of proposals in an area. Policy SP1 Sustainable Development requires that these factors are addressed satisfactorily and its application through the Plan's other strategic and development management policies will ensure that the benefits of extensions will be given appropriate weight when assessing proposals for mineral development and mineral related development.

³⁹ PPG Minerals - Paragraph: 010 Reference ID: 27-010-20140306 Revision date: 06 03 2014

Figure 4.1 Key Diagram



CHAPTER 5: Climate Change

INTRODUCTION AND BACKGROUND

- 5.1 Climate change refers to long lasting changes in global climate and particularly those seen in the last few decades. These changes can be attributed to the rapid increase in global temperatures, caused largely by increased levels of atmospheric greenhouse gases principally carbon dioxide (CO₂) produced by the use of fossil fuels by humans. Climate change has been identified as the biggest threat to human society by the World Health Organisation. The world is already witnessing the effects of climate change in increases in the risk of extreme weather including heatwaves, floods, storms, droughts and wildfires. In the UK, this will mean warmer, wetter winters with less snowfall and fewer frosts. Summers are likely to be hotter and generally dryer but the potential for extreme, intense rainfall, droughts, heatwaves, flooding and storms are likely to all increase
- 5.2 In 2015, the Paris Agreement was signed by 195 Governments making a commitment to keeping a global temperature rise this century well below 2°C above pre-industrial levels and pursuing efforts to limit the increase even further to 1.5°C, a limit that is now close to being breached. In order to limit global warming to 2°C, it has been calculated that the world can only emit a certain quantity of carbon dioxide to the atmosphere. This is the global carbon budget which is then divided amongst individual countries according to the Paris Agreement.
- 5.3 Recent reports on climate change⁴⁰ by the Intergovernmental Panel on Climate Change (IPPC) note that human-induced climate change is causing dangerous and widespread disruption in nature and affecting the lives of billions of people around the world, despite efforts to reduce the risks. People and ecosystems least able to cope are being hardest hit. The IPCC reports contain a damning assessment of the current level of action on climate change and states that strong, rapid and sustained reductions in greenhouse gas emissions along with limiting cumulative CO₂ emissions, reaching at least net zero by 2050, are required to keep climate change to between 1.5oC and 2.0oC this century. The reports conclude that there is now a small window of opportunity when significant action by society and governments can reduce

⁴⁰ United Nation's Intergovernmental Panel on Climate Change (IPCC) 6th Assessment Report ,9 August 2021 and Impacts, Adaptation and Vulnerability Report, March 2022

the worst effects of climate change to a level within which the world will still have the ability to adapt. More recently in October 2022, a United Nations Environment Programme Report ‘Closing the Window’ has identified that current pledged emissions reductions will only reduce temperature rises to between 2.4 – 2.6°C by the end of the century.⁴¹ The UN Secretary General at the Climate Change Conference (COP)27, held in Autumn 2022, called for “a giant leap on climate ambition” stressing the need to “drastically reduce emissions now.”

- 5.4 The UK Parliament declared a Climate Change Emergency in 2019 and is committed to reduce the UK’s carbon emissions. It has committed in law⁴² to achieve net-zero carbon emissions by 2050⁴³ with an interim target of 78% reduction on 1990 levels by 2035⁴⁴. The Climate Change Act 2008 also introduced legally binding ‘carbon budgets’ which cap emissions over successive 5-year periods. The first six carbon budgets cover the period 2008-2037. The third carbon budget period will finish at the end of 2022. So far, the UK has met its budgets and is on track to meet the third but will require significant emission reductions to be on track to meet future budgets and the net zero target for 2050.
- 5.5 The County Council has prepared a Climate Change Strategy⁴⁵ which includes a county-wide (not including Derby City) target of net zero by 2050 aligned with the UK’s legal commitment to deliver net zero by 2050. It sets out 5 yearly emission reduction targets. Since 2005, Derbyshire’s county-wide emissions have fallen by 21% but this will need to be accelerated in order to achieve the 47% reduction in emissions by 2025 (against the 2005 baseline) which is needed to be on course to deliver net zero by 2050.
- 5.6 The Strategy notes that in 2018, Derbyshire’s total greenhouse gas emissions were 10.5 MtCO₂e, equivalent to 13.2 tCO₂e/capita (for Derbyshire’s population of 796,142 people), which is much higher than the average for the UK of 6.8 tCO₂e/capita.⁴⁶ This is predominately due to the higher-than-average

⁴¹ United Nations Environment Programme Emissions Gap Report – Closing the Window, October 2022.

⁴² The Climate Change Act 2008

⁴³ The Climate Change Act 2008 (2050 Target Amendment) Order 2019

⁴⁴ The Carbon Budget Order SI 2021 No.750

⁴⁵ Derbyshire County Council’s Climate Change Strategy: Achieving Net Zero 2021 - 2025

⁴⁶ BEIS, 2020. Emissions of carbon dioxide for Local Authority areas. With scaling factors applied to take account of all GHG emissions and not just CO₂. [online] Available at: <https://data.gov.uk/dataset/723c243d-2f1a-4d27-8b61-cdb93e5b10ff/emissions-of-carbon-dioxide-for-localauthority-areas>. [Accessed 25 March 2021]

industry activity within the county⁴⁷, as well as the spatially disparate nature of communities, which increases the reliance of private vehicles. The commercial and industrial sectors result in 68% of the total emissions, transport makes up 19% of emissions, and domestic buildings contribute 14%. Emissions from land use, land use change and forestry (LULUCF) were -0.1 MtCO₂ (equivalent to -1%) demonstrating the sequestration of carbon from the atmosphere. There is no separate emission data for the mineral operations in Derbyshire, but cement production and lime production are known to contribute significantly to emissions

- 5.7 Climate change can be addressed through both mitigation (action to reduce the impact of human activity on the climate system primarily through avoiding or reducing greenhouse gas emissions) and adaptation (adjustments to natural or human systems in response to the actual or anticipated effects of climate change, to mitigate harm or exploit beneficial opportunities). The NPPF⁴⁸ identifies that the planning system can play a key role in securing reductions in greenhouse gas emissions, minimising vulnerability and improving resilience to the effects of climate change, encouraging the re-use of existing resources and supporting renewable and low carbon energy and associated infrastructure.
- 5.8 Local plans are required by law⁴⁹ to include policies designed to secure that the development and use of land in a local planning authority's area, contributes to the mitigation of, and adaptation to, climate change. The NPPF requires that local plans adopt a proactive approach to mitigating and adapting to climate change, taking into account the long-term implications of flood risk, water supply, biodiversity and landscapes and the risk of overheating from rising temperatures, in line with the objectives and provisions of the Climate Change Act 2008⁵⁰.

CLIMATE CHANGE AND MINERALS

- 5.9 The production and use of minerals contributes to emissions and subsequently to climate change. Minerals, however, are essential to the economy and our way of life. It is important therefore that they are extracted, processed and

⁴⁷ During national allocation heavy industries contributing to the national economy are reallocated across counties

⁴⁸ NPPF, July 2021

⁴⁹ Section 19(1A) of the Planning and Compulsory Purchase Act 2004 (as amended by section 182 of the Planning Act 2008)

⁵⁰ The Climate Change Act 2008, as amended by the (2050 Target Amendment) Order 2019

transported sustainably and that, wherever possible, within the scope of minerals planning, measures are taken to mitigate and adapt to climate change. This can be achieved through:

- a) Mitigating its effects through avoiding or reducing greenhouse gas emissions associated with mineral development (mitigation). Where this is not possible by including off setting or capturing and storing emissions (sequestration), and
- b) Ensuring that minerals development contributes to the adaptation and resilience of the built and natural environment to the effects of climate change (adaptation).

REDUCING GREENHOUSE GAS EMISSIONS

- 5.10 By increasing the use of secondary and recycled aggregates, the need for the extraction of primary minerals can be reduced. If minerals are not re-used or recycled, then more primary mineral resources have to be extracted and new products manufactured, resulting in the use of additional resources and energy. Also, the recycling and re-use of construction and demolition material on site reduces the need for transporting aggregates which is a major source of carbon emissions.
- 5.11 The extraction of minerals, processing, transport to market and their use all generate greenhouse gas emissions, although the scale of them will depend on the mineral resource, method of extraction, the way in which they are processed, transport requirements and their ultimate use. Most mineral companies in Derbyshire have developed sustainability strategies and identified pathways with associated carbon reduction targets towards achieving net carbon zero by 2050. There are several ways in which emissions can be reduced.

ENERGY EFFICIENCY

- 5.12 The extraction and processing of minerals can be both energy and water intensive, which means that it is important for the minerals industry to reduce the consumption of energy and water and increase efficiency. From the outset, proposals should take account of landform, layout, building orientation, massing and landscaping to minimise energy and water consumption.
- 5.13 Other measures to improve energy efficiency include:
 - adapting processes and procedures;
 - updating/refurbishing/retrofitting plant and buildings;

- using sustainable design and construction techniques in plant and buildings, including the re-use of buildings, use of recycled or recyclable materials and locally sourced or on-site building materials;
- Increasing water efficiency by re-using wastewater, harvesting rainwater and using winter storage reservoirs to supplement supply throughout the summer months;
- Installing SMART meters and energy monitoring tools;
- Improving service and maintenance procedures to ensure plant, machinery and vehicles operate more efficiently;
- Investment in improved efficiency, including upgraded insulation, more efficient LED lighting, low energy heating, and natural ventilation to reduce the reliance on air conditioning;
- Behavioural change programmes. It has been estimated that maintaining equipment well or turning it off when it is not in use, can reduce energy demand by up to 10%⁵¹.

LOW CARBON ENERGY

- 5.14 The use of renewable and low carbon energy can help reduce emissions. In 2020 the mineral products industry (including mining and quarrying), excluding transport, accounted for 12% of industrial fuel consumption in the UK, of this 46% was from natural gas, 19% electricity, 14% coal, 12% bioenergy and waste and 7% petroleum products. Since the turn of the century fuel consumption by the minerals product sector has decreased by some 16%⁵².
- 5.15 Key factors influencing the potential for using renewable and low carbon energy at mineral operations are the scale, location and anticipated life of workings. Many of the limestone quarries within the plan area are large scale and long term and a number of them are involved in processing industrial minerals which can be particularly energy intensive. In these cases, the potential for renewable energy generation would be similar to that of any other industrial development. However, many of the limestone quarries are located in rural areas close to the PDNP and therefore the environmental and visual impacts of significant renewable energy generation would need to be taken into account. For shorter term operations that involve temporary buildings, the

⁵¹ MPrA Website Resources Carbon Trust A Well Oiled Machine and Switch It Off

⁵² DBEIS Digest of UK Energy Statistics (DUKES) 2021 ECUK Consumption Data Tables

potential for energy generation may be more limited to roof-mounted photovoltaic panels or similar.

- 5.16 The NPPF makes it clear that small-scale renewable or low carbon energy projects can provide a valuable contribution to cutting greenhouse gas emissions and that applicants for energy development are not required to demonstrate the overall need for renewable or low carbon energy. Some small-scale schemes may be considered an ancillary part of a minerals working or restoration scheme, but in some cases separate planning permission might be required from the relevant district, city or borough planning authority.

INDUSTRIAL PROCESS EMISSIONS

- 5.17 The processing of ‘industrial’ minerals can generate significant emissions. In the Plan area the calcination (heating) of limestone to produce cement and lime requires significant amounts of energy. Not all aspects of carbon emissions are from energy consumption some are from ‘chemical reactions’ or those which cannot be engineered out of the process. For example, the production of cement clinker⁵³ produces significant CO₂ emissions. In 2018, it was estimated that the concrete and cement production accounted for 1.5% of UK CO₂ emissions. In 2018, production accounted for 7.3 million tonnes of CO₂, of which around 4.4 million tonnes were ‘process emissions’ from clinker production, 2.2 million tonnes from fuel combustion and the remainder from electricity use and transport.
- 5.18 Significant progress has been made in reducing emissions in cement manufacture which have decreased by 53% since 1990. This has been achieved through a move toward using alternative low carbon waste-derived fuels and increasing the use of by-products, recycled materials and waste from other industries to substitute for clinker. In 2020, waste derived fuels made up 47% of the thermal input with waste biomass fuels comprising 18% of the thermal input to the cement manufacturing process. These alternative fuels also made up 29% of the thermal input for dolomitic lime manufacturing in 2020. In 2018, cement manufacturers replaced 7% of their raw materials with waste derived alternatives e.g., pulverised fuel ash.
- 5.19 Further emissions reductions may be achieved if product and design standards allow for lower carbon cement formulations and these are adopted by the

⁵³ The product of fusing together of clay and limestone which is the first stage in the manufacture of cement

market. However, to realistically meet ‘net zero’ emissions from cement and lime production by 2050 carbon capture and storage (CCUS) will need to be technologically and economically feasible. A cluster (the Peak District Inland Cluster) of high emitting sites which includes two cement sites and three lime sites within Derbyshire, with total emissions of 2.2 MtCO₂ in 2016, has been identified by the Government, as part of its decarbonising industry strategy, for investigation into options for CCUS.

TRANSPORT

- 5.20 Another major contribution to emissions from the minerals industry is transport, from vehicles used on site in the extraction process and off site, for transporting the mineral to the market. Despite comprising only 5% of UK road vehicles, heavy goods vehicles (HGVs) produce 17% of greenhouse gas emissions from the surface transport sector⁵⁴. The use of more sustainable modes of transport such as pipeline, conveyor, rail and water along with low carbon emission vehicles and fuels, such as hydrogen, would assist in reducing carbon emissions together with more efficient transport planning and logistics. Whilst indications are that over the 5-year period (2013-2018) nationally mineral products rail freight increased by 21%⁵⁵, within the Plan area it is currently only the limestone quarries that are long-life (2042) and have large scale production (between 3 to 6 mtpa) which transport mineral by rail. Four limestone quarries are currently rail linked and a further quarry that is likely to resume production during the Plan period intends to transport mineral by rail. In 2019, approximately 50% of aggregate limestone was transported by rail from the Plan area.

ADAPTING TO CLIMATE CHANGE

- 5.21 The effects of climate change are experienced through more extreme and unpredictable weather conditions, which are already being experienced and are projected to include more intense rainfall events, hotter summers, more heatwaves, more periods of drought and warmer but wetter winters. The impacts of these changes include an increased risk of flooding, increase risk of fire and heatwaves, droughts and damage to infrastructure from an increase in storm events. A changing climate also harms wildlife and precious ecosystems. It is recognised that a certain degree of impacts from climate change are inevitable due to past emissions and even if emissions are reduced

⁵⁴ Carbon Brief - Clear on Climate, 9 December 2020

⁵⁵ Sustainable Development Report 2020/2021 Minerals Products Association

dramatically, it is important that new developments are planned to take into account adaptive measures including those to protect the natural environment and increase its resilience to change.

- 5.22 Mineral proposals should include adaptive measures to ensure on site resilience from extreme climatic events such as heat and drought, storm events, and high winds. Climate change may particularly lead to increased and new risks of flooding over the lifetime of planned mineral developments. Such development should be located to avoid areas of vulnerability to climate change and flood risk. Where this is not possible, it will need to be planned, designed and operated to avoid, reduce and manage potential flood risk from all sources over its lifetime, including the risk of increasing flooding elsewhere. Mineral working can impact on water supply and groundwater and it is important that any impacts affecting the availability of water resources are appropriately assessed and mitigated. The use of sustainable drainage systems and water efficiency should be encouraged at mineral sites.
- 5.23 The restoration of mineral sites, however, does provide opportunities to increase resilience to climate change. In particular, restoration schemes for sand and gravel quarries (which because of where the mineral is found often have to operate in the flood plains of the river valleys) can contribute towards reducing the risk and scale of flooding. Such schemes are most effective where they are part of an integrated approach to flood risk management and where they include natural flood management techniques, such as using the extraction area next to the river for river braiding or widening or to provide increased capacity for winter flood water storage.
- 5.24 Restoration schemes can also provide opportunities for the creation of habitats for species affected by climate change. This includes the provision of wildlife corridors and making links to the wider green infrastructure network to improve the resistance of the natural environment to climate change. From a wildlife perspective, ensuring that water is managed so that water bodies, water courses and wetlands are receiving and storing water will be essential. Creating space for flood waters can also provide new habitats for wildlife, whilst the management of habitats should try to maintain a variety of micro-habitats to include shady, cooler areas as well as more open, hotter habitats.
- 5.25 More generally, restoration schemes can also increase and enhance green infrastructure providing a network of multi-functional green and blue spaces and other natural features including newly planted vegetation and trees; all of which provide local and wider benefits for the climate including carbon

reduction. It is important that any restoration benefits provided that would assist in carbon sequestration, for example trees and woodlands are balanced against the loss of such features in the first instance.

POLICY SP2: CLIMATE CHANGE

Proposals for mineral development and mineral related development will be supported where, taking into account the lifetime of the development (including restoration and aftercare), they include measures that clearly demonstrate:

- a) a progressive reduction of carbon dioxide (and other greenhouse gas) emissions including fugitive emissions consistent with meeting national and local carbon targets and achieving net zero emissions by 2050 unless the proposal involves the extraction of coal where emissions associated with the proposal should be ‘net zero’ from the outset; and**
- b) an improvement in resource efficiency; and**
- c) they effectively assist in the reduction of vulnerability of the built and natural environment from, and increase resilience to, the future impacts of climate change.**

Measures will vary depending on the particular circumstances of each proposal but should, on a proportionate basis, take account of the following as a minimum:

- 1) Ensuring energy efficient plant, buildings and operations and the use of decentralised renewable, or low carbon energy sources to power the facility;**
- 2) Ensuring the use of sustainable design and construction techniques in plant and buildings, including the use of re-cycled and recyclable materials, locally or on-site sourced building materials and low carbon-embedded construction materials;**
- 3) Using sustainable transport modes, efficient logistics, and low carbon emission fuels and vehicles to extract and transport the mineral to market;**
- 4) Minimising water consumption by incorporating water efficiency measures including, where practicable, rainwater harvesting, the re-use of wastewater and winter storage areas;**

- 5) **Avoiding locations in areas of vulnerability to climate change and flood risk. Where this is not possible, measures should be incorporated, to mitigate any flood risk associated with the development and to avoid increasing the risk of flooding elsewhere;**
- 6) **Incorporating restoration schemes which will contribute towards emissions reduction and climate change adaptation and resilience, including the creation of multifunctional green and blue infrastructure including tree planting, biodiversity and habitat creation, carbon sinks and flood resilience.**

Where submitted in support of a proposal the MPA will give consideration to other mitigation and adaptation measures not listed in criterion 1-6.

The MPA will seek to enter into planning obligations to secure any measures which cannot be secured through planning conditions.

Proposals for mineral development and mineral related development should be supported by a Climate Change Impact Assessment which demonstrates how measures to mitigate and adapt to climate change have been considered, incorporated, and will be monitored and reported.

The Climate Change Impact Assessment should include an assessment of whether there is sufficient causal connection between the proposal and any impact on the environment associated with any indirect emissions and, whether this constitutes a significant indirect effect of the proposed development. Where this is the case, the indirect emissions will need to be taken into account under Policy SP2 Criterion a.

REASONED JUSTIFICATION

- 5.26 Planning has a key role in mitigating and adapting to climate change and helping the country to move towards a low carbon economy. This includes reducing greenhouse gas emissions to net zero by 2050, minimising vulnerability and creating resilience to climate change impacts (such as increased flood risk), using natural resources prudently, supporting the delivery of renewable and low carbon energy and associated infrastructure and protecting and enhancing natural capital and biodiversity.

- 5.27 Climate change is a wide-ranging issue affecting all of the economic, environmental and social aspects of mineral developments. Policy SP1, at Chapter 4, sets out the need to address climate change in order to deliver sustainable minerals development. Policy SP2 sets out in greater detail how proposals for mineral development and mineral related development are required to contribute to climate change mitigation and build resilience to the effects of climate change, but the implementation of all policies of the Plan, where relevant, will effectively deliver outcomes to address climate change. Policy SP3 supports the use of secondary and recycled aggregates whilst other policies of particular relevance are the development management policies set out at Chapter 11, which include DM3 Transport, DM4 Landscape, DM5 Biodiversity and Geodiversity, DM6 Trees, Woodland and Hedgerows, DM8 Water Management and Flood Risk, DM12 Green and Blue Infrastructure and DM15 Restoration, Aftercare and After-use.
- 5.28 Proposals for mineral development and mineral related development should demonstrate to the MPA through a Climate Change Impact Assessment how they will contribute towards reducing greenhouse gas emissions over the lifetime of the development from its location, design and construction through to operation, decommissioning and final restoration and aftercare in line with national and local carbon targets with the aim of achieving net zero carbon emissions by 2050. The Assessment should include the current baseline emissions from the site and a methodology for measuring emissions directly⁵⁶ associated with the development for the lifetime of the proposal including fugitive emissions and those arising from restoration.
- 5.29 Where proposals involve the extraction of coal, the carbon rich nature of the mineral is likely to result in emissions which are an intrinsic characteristic of the development. It is important therefore that such proposals can demonstrate from the outset that emissions will be managed to ensure that the development will have a 'net zero' impact on climate change. Requirements for proposals involving coal extraction are set out at Policy SP15 Coal Extraction and Colliery Spoil Disposal.
- 5.30 There are other emissions that, whilst not directly associated with the development, are indirectly⁵⁷ associated with the products and services of the development, including the use of the product. The Climate Change Impact Assessment should include an assessment of whether there is sufficient

⁵⁶ Scope 1 and 2 emissions as defined in the Greenhouse Gas (GHG) Protocol 2021

⁵⁷ Scope 3 emissions as defined in the Greenhouse Gas (GHG) Protocol 2021

causal connection between the proposal and any impact on the environment associated with the indirect emissions and, whether this constitutes a significant indirect effect of the proposed development. Where this is the case, the indirect emissions will need to be taken into account under Policy SP2 Criterion a.

- 5.31 Further information on how to assess and mitigate GHG emissions of development proposals and how to evaluate their significance can be found in the Institute of Environmental Management & Assessment (IEMA) Guide entitled 'Assessing Greenhouse Gas Emissions and Assessing their Significance 2nd Edition (February 2022). Whilst the guidance is primarily aimed at EIA development, the MPA considers that this represents a good practice standard for all developers.
- 5.32 The Climate Change Impact Assessment should set out as a minimum how the measures set out in Criteria 1 to 6 have been considered, incorporated, and will be monitored and reported. The MPA will expect, in the first instance, that consideration is given to incorporating any measures to reduce and adapt to climate change, such as tree planting and increased biodiversity, on site rather than offset elsewhere. However, where this is not possible, measures for offsetting or capturing and storing emissions should be included in the Assessment. Where appropriate, the MPA will use planning conditions or enter into planning obligations to secure climate change mitigation and adaptation measures and to require data to be supplied to report and monitor the effectiveness of those measures.
- 5.33 Climate Change Impact Assessments will be expected to take account of all relevant policies in the Plan and particularly those listed in paragraph 5.27. In assessing how proposals have addressed the potential impacts of climate change, the MPA will take into account the scale, nature and location of the proposed development such that large-scale mineral proposals will be expected to provide more information and be expected to show greater mitigation and adaptation measures than small-scale mineral proposals.
- 5.34 A Climate Change Guide and associated Assessment Tool have been prepared by the County, City, National Park and District Councils. The tool is designed to give an indication of the degree to which planning proposals have included climate change mitigation and adaptation measures in their conception and implementation. It can be accessed via the [Derbyshire County Council Planning Policy webpage](#).



Brassington Moor Quarry phased restoration

Chapter 6: The Supply of Aggregate Minerals

- 6.0.1 The majority of minerals quarried within the Plan area are used as aggregates. These are granular materials used in building and construction, for example in road making, house construction, in the manufacture of concrete and as railway ballast. Minerals from the Plan area which are used as aggregates include limestone (crushed), sandstone (crushed) and sand and gravel.

6.1: Recycled and Secondary Aggregates

INTRODUCTION AND BACKGROUND

- 6.1.1 Considerable volumes of aggregate minerals are required to construct the buildings and infrastructure that we need to support our way of life. By using recycled and secondary aggregates as alternatives in their construction, the amount of primary mineral that has to be extracted can be reduced, thus helping to secure its long-term conservation for future generations to use. A further benefit is that the use of recycled and secondary aggregates reduces the amount of re-useable materials from being wasted and disposed to landfill. In the interests of using resources prudently and delivering sustainable mineral development it is important, in principle, to maximise the production and use of recycled and secondary aggregates.
- 6.1.2 Construction will often require demolition of existing buildings and structures built with hard and durable materials such as concrete and brick which can be recycled and re-used in new construction. Recycled aggregates are produced from materials sourced from the processing of inert materials previously used in construction e.g., construction and demolition wastes. The waste streams can include concrete, bricks, glass and asphalt (road planings removed from road surfaces during roadworks). Processing involves the crushing and screening of the raw materials (similar to the processing of primary aggregates) but normally requires additional works to remove unsuitable contaminants such as metal, plastic or wood contained within the waste stream. The quality of recycled aggregates is therefore dependent on the type and source of the raw materials and the processes undertaken but like primary aggregates they are required to meet national specifications.
- 6.1.3 Secondary aggregates are aggregates derived from industrial wastes, such as glass (cullet) incinerator bottom ash, coal derived fly ash, railway ballast; and industrial and minerals by-products, notably waste/spoil tips from mineral extraction. Their uses are varied:
- colliery spoil -widely used for bulk fill;
 - power station ash (pfa) - used as a cementitious addition with cement manufacture and ready mixed concrete and as an aggregate in block manufacture (historically pfa was used as infill material, particularly in the restoration of sand and gravel sites).

- incineration bottom ash- used as fill material/sub-base for road construction or in block manufacture
- blast furnace slag from iron and steel industries - used as aggregates and when ground to form Ground Granulated Blast Furnace Slag (GGBS) as cementitious materials
- china clay waste - used as a mortar and in concreting sands

6.1.4 Recent figures⁵⁸ suggest that 90% of all Construction, Demolition and Excavation waste is recycled as aggregates. The annual production of recycled and secondary aggregates in Great Britain has grown considerably from around 20 million tonnes in 1980 to consistently around 70 million tonnes. In recent years, around 250 million tonnes of aggregates have been used each year in Great Britain, with 28% coming from recycled and secondary sources, considered to be close to the maximum achievable.⁵⁹ A further breakdown of recycled and secondary aggregate figures is available for 2017⁶⁰ when 90% of production was recycled aggregates and 10% secondary aggregates. An examination of this production in more detail shows the following contributions:

- 58.5 (81%) mt Recycled construction and demolition waste
- 6.1 (8.4%) mt Asphalt planings
- 3.1 (4.3%) mt Other (iron and steel slag, clay and shale, chalk, fly ash, furnace bottom ash and colliery spoil)
- 2.5 (3.8%) mt China and ball clay waste
- 1.8 (2.5%) mt Incinerator Bottom Ash

6.1.5 There are two main types of facilities producing recycled aggregates. The more permanent ones are those based at dedicated waste recycling centres, which crush and screen suitable streams of imported materials. Others are temporary production facilities that are set up at demolition sites, taking advantage of the direct availability of suitable materials.

6.1.6 Secondary aggregates are produced at three types of facilities:

- At stand-alone facilities which receive materials from other industrial processes. This includes ash and slag from foundries, power stations and incinerators.

⁵⁸ Minerals Products Association - From Waste to Resource 2019

⁵⁹ Minerals Products Association – Mind the Gap September 2022

⁶⁰ Minerals Products Association - Contribution of Recycled and Secondary Aggregates 2019

- At temporary sites which utilise minerals extracted from old tips associated with quarries, collieries and other industrial concerns.
 - At operational mineral quarries using waste derived from mineral processing although nowadays mineral operations are so sustainably managed that very little quantities of waste material not required for the restoration of the quarries are generated.
- 6.1.7 Whilst the production of recycled and secondary aggregates involves the use and re-use of minerals, it involves minerals that in some cases have previously been used for another purpose and which may have been discarded as waste. This issue is therefore relevant to both the emerging Minerals Local Plan and the emerging Waste Local Plan and will be reflected in the content of both plans and the policies they contain

POLICY SP3: THE SUPPLY OF RECYCLED AND SECONDARY AGGREGATES

Proposals for the reception, processing, treatment and distribution of waste materials in order to produce recycled and secondary aggregates will be supported where the proposal will promote the sustainable management of waste in accordance with the principles of the Waste Hierarchy and will facilitate a reduction in the need for primary aggregates.

Proposals will be assessed against this policy and the policies of the adopted Waste Local Plan (or any future replacement).

When located at mineral sites, proposals should not delay site restoration, not have an unacceptable adverse impact on working the minerals site or introduce unacceptable adverse impacts on sensitive receptors. The cumulative impacts of those proposals and mineral operations will need to be assessed both individually and in combination. Any planning permissions granted will be limited to the life of the mineral site.

Proposals which can demonstrate that early and high-quality restoration, in accordance with Policy DM15, can be achieved will be supported.

For mineral sites located in the Green Belt, proposals will need to demonstrate that any potential harm is clearly outweighed by other considerations, in accordance with Policy DM12.

REASONED JUSTIFICATION

- 6.1.8 NPPF⁶¹ states that mineral planning authorities should have planning policies that, so far as is practicable, take account of the contribution that substitute or secondary and recycled materials and minerals waste would make to the supply of materials, before considering extraction of primary materials, whilst aiming to source mineral supplies indigenously.
- 6.1.9 In terms of maintaining supply, it states that mineral planning authorities should plan for a steady and adequate supply of aggregates by:
- a) Preparing an annual Local Aggregate Assessment, either individually or jointly, to forecast future demand, based on a rolling average of 10 years' sales data and other relevant local information, and an assessment of all supply options (including marine dredged, secondary and recycled sources).

NEED

- 6.1.10 There is no specific national framework for determining the need for recycled and secondary aggregates. MPAs are required to consider their likely contribution to the overall supply of aggregates. However, information on recycled and secondary material that arises in the Plan area is often inconsistent and unreliable. Most recycled aggregate is derived from construction, demolition and excavation waste arisings. The most recent estimate⁶² of these arisings indicate that approximately 3 million tonnes will be generated annually over the plan period. Assuming that the Plan area achieves a recycling rate of 90% in accordance with the national trend, approximately 2.7mt of recycled aggregate will be generated annually. It is more difficult to estimate the contribution of secondary aggregates for which no figures exist. Aggregates from secondary sources within the Plan area have diminished with the demise of heavy industry e.g. steel manufacturing and coal mining, which makes it particularly difficult to determine the contribution of secondary aggregates over the Plan period. The national figures indicate that, of the total

⁶¹ National Planning Policy Framework, July 2021, Paragraph 210

⁶² DCC & DC Towards a Statistical Basis for the Waste Local Plan 2013

production of recycled and secondary aggregate, only 10% is from secondary aggregates and therefore annual production is not likely to be substantial. The LAA⁶³, using historical data, estimates that the Plan area is likely to make an annual contribution of 3mt of recycled and secondary aggregates over the Plan period but acknowledges the lack of robustness in this figure and commits to its review as part of the annual LAA preparation.

SUPPLY

- 6.1.11 It is not currently possible to obtain accurate information about the number and location of all the sites producing recycled and secondary aggregates in the Plan area or the amount they produce. However, the area does contain examples of all the types identified above at paragraph 6.1.5.
- 6.1.12 The most common are the dedicated stand-alone transfer and recycling facilities where crushing and screening of appropriate wastes is undertaken on sites which receive, sort and process a range of high volume, low-value materials. Some of these sites focus entirely on this activity but most sites perform a range of other sorting and recycling operations in addition to aggregate production. During the last twenty years, the number of dedicated recycling sites throughout the Plan area has increased significantly. The primary locations are in and around the main urban areas, focused on older industrial estates and other areas of previously developed land at the lower value end of the market. Most of these facilities are relatively small-scale operations.
- 6.1.13 The other source of recycled aggregate is from demolition sites where mobile crushing and screening equipment has been used to produce aggregates from the buildings and other site materials which are being removed and used in the reconstruction works at the site. Detailed information about the number of sites where this has taken place and the volume of material produced is very difficult to obtain.
- 6.1.14 At the crushed rock quarries, (mainly limestone, but also sandstone and gritstone) within the Plan area, there may be small quantities of processed waste material that can be used as secondary aggregate. Secondary aggregates have also been produced from materials obtained from the reworking of old, former tips associated with heavy industrial businesses. Some materials have been derived from sites where the primary activity has

⁶³ DCC, DC and PDNPA Local Aggregate Assessment 2022

been to obtain more valuable materials (e.g. red shale or coal) contained in tips and which are now in demand and can be worked in an economically viable manner. Other materials have been obtained from tips which have been removed as part of wider reclamation projects.

6.1.15 The different types and scale of production can lead to a cross-over of responsibility in terms of policy development and the determination of planning applications. For instance, whether proposals are primarily of mineral or waste management in character and should be subject to policies contained in the Minerals or Waste Local Plan. A further consideration is whether proposals are ‘county matters’ to be determined by the mineral or waste authority (including unitary authorities) or district/borough planning authorities. Further information on this issue is set out in the Background Paper⁶⁴ which accompanies the Plan. As a general principle, however, in the assessment of planning proposals all policies of the Minerals Local Plan apply, where relevant, and all policies of the ‘development plan’ for the Plan area apply, where relevant, which could include policies contained in the Waste Local Plan and any non-mineral and non-waste city/borough/district local plans.

6.1.16 The approach of the Minerals Local Plan, to ensure the supply of recycled and secondary aggregates, is to include a plan wide criteria-based policy to enable and encourage the development of recycling and secondary aggregate production facilities/operations in appropriate locations in response to the market.

6.1.17 Appropriate locations are considered to be:

- At operational quarries;
- At operational landfill sites;
- Within permanent waste management sites;
- On existing, permitted or land allocated for ‘general industrial/storage or distribution’ uses identified in a local plan;
- On previously developed land;
- On demolition and redevelopment sites;
- At waste/spoil tips;
- As part of reclamation schemes.

⁶⁴ Towards a Minerals Local Plan, Winter 2021/2022 Consultation, Proposed Draft Plan, Recycled and Secondary Aggregates Background Paper December 2021

Where sites are situated within the Green Belt, Policy DM12 should be taken into account to demonstrate that any potential harm is clearly outweighed by other considerations.

- 6.1.18 A particular impact of incorporating recycled and secondary aggregate production into existing mineral/landfill/redevelopment operations is that it could increase the life of the development beyond that which is considered acceptable. It is important, therefore, that in such circumstances recycled/secondary aggregate production is limited to a temporary period where appropriate, concomitant with the timescale of the primary site operations.
- 6.1.19 The cumulative impacts of several mineral/landfill/redevelopment operations either on one site or in close proximity to each other may be a factor that needs to be considered, as well as the effects of these types of development in conjunction with other developments in the area.
- 6.1.20 Safeguarding is a further way of maintaining the future supply of recycled and secondary aggregates. The Plan proposes to safeguard known existing recycled and secondary aggregates production facilities and important mineral resources (including coal derived fly-ash in single use deposits) from sterilisation by non-mineral development. Policies for safeguarding mineral related infrastructure and mineral resources are set out at Chapter 9 of the Plan.
- 6.1.21 There are a range of environmental, local amenity and health impacts that are likely to be relevant when assessing planning proposals for recycling and secondary aggregates production depending on the type and location of the operation. Such impacts may include landscape and visual impacts, impacts from noise, vibration, heavy goods vehicle traffic, lighting, emissions/air quality and impacts on the natural and historic environment. The biodiversity value of spoil tips is also an important consideration. Many of these impacts are ones which would be common to the extraction of primary minerals and therefore their impacts will be assessed under the Development Management Policies set out at Chapter 11 of the Plan.
- 6.1.22 Where proposals include the re-working of spoil tips for non-aggregate purposes, they will be assessed under Policy OM2: Re-working of Spoil Tips set out at Chapter 11 of the Plan.
- 6.1.23 In all cases, proposals will be expected to include details of the proposed method of treatment/production, anticipated volume of material to be treated,

anticipated timescale of production and destination of processed material. For some of the locations the key factor will be the need to restrict the timescale of production to the length of the associated development/operation to avoid the impact of long-term working beyond the original permitted development. For proposals located on existing, permitted or land allocated for 'general industrial/storage or distribution' uses in a local plan account will need to be taken of any Unitary/Borough/District local plan policies which might restrict the use of such locations for recycled and secondary aggregate production. The emerging Waste Local Plan will examine in detail, the generation of waste arisings associated with recycled and secondary aggregates and the capacity of waste management facilities across the Plan area to manage those arisings. It will also include strategic policies to promote both temporary and permanent facilities for the production of recycled and secondary aggregates.



Tipper truck unloading crushed rock

6.2: Sand and Gravel

INTRODUCTION AND BACKGROUND

- 6.2.1 Sand and gravel is an aggregate mineral of both national and local importance. Around 1 million tonnes is produced in the Plan area each year, around half of which is used within Derbyshire, Derby and the Peak District. The remainder is exported to counties within the East Midlands and West Midlands. It is used in the production of concrete, mortar and asphalt and in the manufacture of concrete products which have national markets. Around 75% of the sand and gravel produced in the Plan area is used to produce concrete, with the remainder being used to produce mortar, asphalt and also as a fill material.
- 6.2.2 The strategy for ensuring a steady and adequate supply of sand and gravel through the provision of additional reserves is constrained by the fact that minerals can only be quarried where they occur. This means that in Derbyshire and Derby, sand and gravel sites can only be located in the alluvial sand and gravel resource of the Trent, Derwent and Lower Dove Valleys in the southern part of the Plan area. There are also more limited reserves of hard rock sand in the Sherwood Sandstones near Mercaston.
- 6.2.3 A Methodology to Map Environmentally Sensitive Areas (AMES)⁶⁵, undertaken by the County Council, identifies those areas of the river valleys that continue to be of existing value for a range of environmental factors and which should be retained as part of the developing Strategy for the Restoration of the River Valleys. It also identified the areas considered to have least overall environmental value and which could therefore be considered as having the greatest potential for mineral extraction. The most appropriate spatial distribution for proposed sand and gravel sites has been determined by a combination of AMES and site assessments: AMES for environmental factors and the site assessments which consider a range of economic, social and other environmental factors.
- 6.2.4 Derbyshire has substantial resources of sand and gravel in the river valleys of the Trent, Lower Derwent and the Lower Dove, occurring within the fluvial/alluvial and terrace deposits. There has been little mineral working in the Lower Dove Valley, with most to date having taken place in the Trent and the Lower Derwent Valleys. In the area of the Trent Valley between Long Eaton

⁶⁵ A Methodology to Map Environmentally Sensitive Areas Background Paper, DCC, November 2014

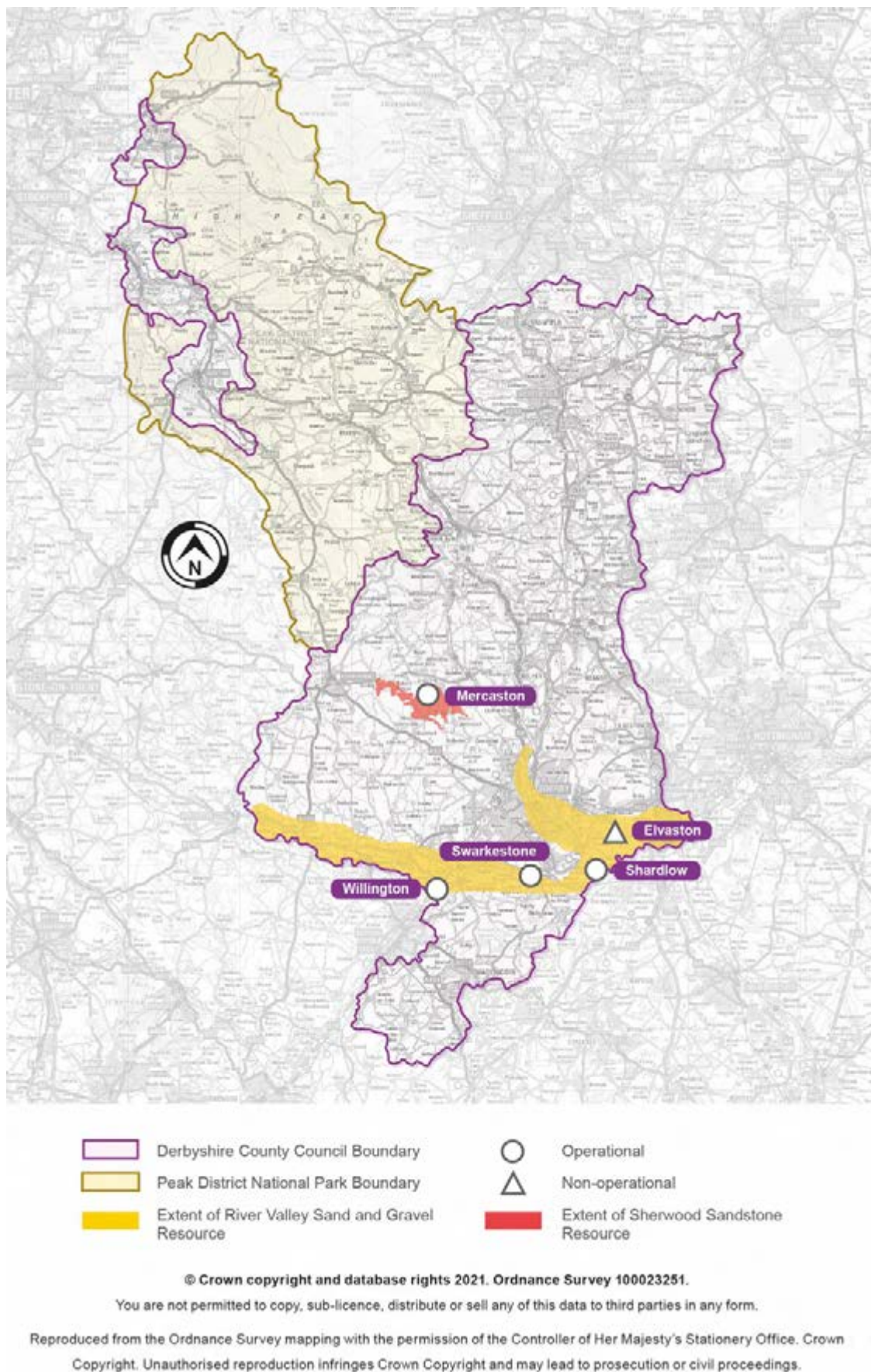
and Willington and on into Staffordshire these resources are of particularly high quality, both in geological and commercial terms. There are only limited resources of sand and gravel in Derby City and no current workings.

- 6.2.5 Deposits of sand and gravel also occur in the solid bedrock of the Sherwood Sandstones. It is an important source of soft building sand and there is currently only one operation in the county. This is located at Mercaston in an area between Derby and Ashbourne. The operator of this quarry has confirmed that it has sufficient reserves to sustain production over this Plan period and beyond. Figure 6.2.1 shows the location of sand and gravel quarries and resources in the Plan area.



Shardlow Quarry - sand and gravel extraction

Figure 6.2.1 Sand and Gravel Quarries and Resources



- 6.2.6 There are three stages involved in the production of sand and gravel; extraction, processing and restoration. Extraction initially involves the stripping of topsoil, subsoil and overburden. These materials are used either in progressive restoration or stored and used at a later stage in the restoration programme. Extraction of the mineral is usually carried out in a de-watered working area by excavator. The excavated material is then either loaded into dump trucks for transportation to the processing plant or loaded into a hopper, which feeds a conveyor. At the plant, a series of crushing and screening operations grade and sort the minerals into the different sizes of sand and gravel required by the construction industry. The processed material is stored in stockpiles according to size before being transported to the customer or used on site in the manufacture of concrete.
- 6.2.7 Although the shallow nature of sand and gravel extraction results in high lateral land take, it also enables restoration to be undertaken to a high standard. The lack of waste material produced means that fill material is often required to be imported to enable land to be restored original levels. Alternatively, extracted areas will return naturally to the water table level, presenting opportunities for water-based after-uses.

POLICY SP4: THE SUPPLY OF SAND AND GRAVEL

To meet identified levels of need for sand and gravel over the Plan period from 1 January 2022 to 31 December 2038, the continued working of existing reserves, together with provision at additional sites, at an annual minimum rate of 0.93 million tonnes will ensure that provision is made for at least 15.81 million tonnes of sand and gravel. Taking into account the needs of the Plan area as well as cross border demands, a landbank of at least 7 years will be maintained.

REASONED JUSTIFICATION

- 6.2.8 Sand and gravel is a mineral of national and local importance and, since workable resources of this mineral exist in the Plan area, the Plan is required to make provision for its extraction.
- 6.2.9 The NPPF sets out the need to plan for a steady and adequate supply of aggregate by preparing a LAA annually to forecast future demand based on a rolling average of 10 years' sales data and other relevant information and an assessment of all supply options. A landbank of reserves of at least seven years should be maintained for sand and gravel. It specifies that MPAs which

have adequate resources should plan for a steady and adequate supply of minerals by preparing a LAA and through this, making provision for aggregates by the identification of specific sites, preferred areas and/or areas of search.

- 6.2.10 It also sets out the Government's aim to take account of the contribution that recycled and secondary aggregates make to minerals supply before considering extraction of primary materials.
- 6.2.11 PPG sets out that the MASS seeks to ensure a steady and adequate supply of aggregate mineral, to handle the significant geographical imbalances in the occurrence of suitable natural aggregate resources, and the areas where they are most needed. It requires MPAs which have adequate resources of aggregates to make an appropriate contribution to national as well as local supply, while making due allowance for the need to control any environmental damage to an acceptable level.
- 6.2.12 It sets out that a LAA should include a forecast of the demand for aggregates based on both the rolling average of 10-years sales data and other relevant local information and an analysis of all aggregate supply options. It should also look at average sales over the last three years to identify the general trend of demand as part of the consideration to determine whether it might be appropriate to increase supply.

Need

- 6.2.13 Derbyshire and Derby have the requirement to help meet the local and national need for sand and gravel. This requirement is determined through the LAA process. The most recent LAA (2022) has considered all relevant information as required by national policy and has concluded that, based on an annual provision rate of 0.93mt, Derbyshire and Derby should provide 15.81 million tonnes of sand and gravel from 1 January 2022 to 31 December 2038 (i.e. 17×0.93) to help meet the need for sand and gravel. A five-yearly review of provision in the Plan will be carried out if necessary to ensure that a landbank of at least seven years is maintained and that any significant changes identified in the need and demand for the sand and gravel from the area are addressed.

SUPPLY

- 6.2.14 Information regarding sand and gravel production and reserves is collected annually. As Figure 6.2.2 shows, production of sand and gravel in the Plan area between 2012 and 2021 has averaged 0.93 million tonnes.

Figure 6.2.2: Annual Production of Sand and Gravel 2012-2021 (figures in million tonnes)

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	AV
0.81	0.82	0.95	1.13	1.29	0.94	1.05	0.78	0.57	0.99	0.93

6.2.15 Swarkestone, Shardlow, Willington and Mercaston are the operational sand and gravel quarries in the Plan area which currently produce this sand and gravel. There is also one site, Elvaston, which is currently non-operational.

6.2.16 These sites together have reserves of 9.43 million tonnes of sand and gravel. This stock of reserves is known as the landbank. National policy⁶⁶ requires landbanks to be maintained for all aggregate minerals, with the landbank period for sand and gravel being at least 7 years. The current length of the landbank for sand and gravel in the Plan area is 10.1 years (total permitted reserves of 9.43 million tonnes divided by the current annual provision rate of 0.93mt). The sand and gravel resource in the Plan area is generally of uniform type and does not supply distinct and separate markets and as such there is no requirement to maintain separate landbanks.

6.2.17 Figure 6.2.3 below provides a calculation of the amount of sand and gravel that will need to be provided from the Plan area. The calculation is based on making provision for the period up to 2038. The calculations take account of the level of permitted reserves of 9.43mt at the Plan base date of 31st December 2021. The table indicates that there would be a shortfall of 6.38 million tonnes of sand and gravel reserves over the Plan period to 2038.

Figure 6.2.3: Sand and Gravel Provision

Sand and Gravel		Million Tonnes
A	Annual Requirement	0.93
B	Total Production Requirement 2022-2038 (Ax17)	15.81
Reserves		
C	Permitted Reserves (Landbank) at 31/12/2021	9.43
Shortfall		
E	Shortfall 2022 – 2038 (B-C)	6.38

⁶⁶ NPPF 2021 Paragraph 213

6.2.18 The Plan will make provision for this requirement through the continued working of existing permitted sites and through the allocation of additional sites to ensure continuity of production over the Plan period.

PROPOSED SAND AND GRAVEL SITES

POLICY SP5: ALLOCATION OF SITES FOR SAND & GRAVEL EXTRACTION

Land is allocated to provide for at least an additional 6.38mt of sand and gravel over the Plan period as extensions to Swarkestone and Elvaston Quarries and new sites at Foston and Sudbury, as shown on the Policies Map.

The extraction of sand and gravel from the proposed allocated sites at Swarkestone and Elvaston quarries will be supported:

- 1) where the extensions follow cessation of mineral working within the existing working area, unless it is demonstrated that there are operational reasons why this is not practicable or there would be significant environmental benefits to be gained from alternative phasing.**
- 2) provided that the processing of the material produced at the site will be carried out via the established plant and access arrangements, unless there are significant environmental benefits in alternative arrangements.**

Proposals will need to satisfactorily address the Principal Planning Requirements set out at Appendix A of the Plan.

REASONED JUSTIFICATION

6.2.19 Based on the average production figures set out in Policy SP4, the Plan needs to provide an estimated 15.81 million tonnes of sand and gravel over the Plan period). Permitted sand and gravel sites reserves located in the Plan area are 9.43 million tonnes, a shortfall of 6.38 million tonnes. Where the existing level of reserves is not sufficient for the Plan period, the Minerals Local Plan must identify suitable land to meet the expected shortfall.

- 6.2.20 A number of sites were proposed through a call for sites from landowners and mineral operators. These sites have all been assessed against the same methodology, as set out in paragraph 6.2.3 to determine which have the best potential to be worked for sand and gravel over this Plan period. The assessments are set out in the Sand and Gravel Site Assessments Background Paper. A deliverability schedule is included at Appendix B, which provides an indication when the MPA expects the sites will come forward and how much sand and gravel they will supply over the Plan period. It should be noted that this does not form part of the delivery timetable for the sites or the plan as a whole.
- 6.2.21 The following sites are allocated to meet the identified remaining requirement and therefore to ensure continuity of production of sand and gravel over the course of the Plan period to 2038.
- 6.2.22 Swarkestone South has been shown to have good potential for mineral extraction and can be delivered early in the Plan period as an initial extension to Swarkestone Quarry. It is proposed, therefore, to allocate this site. The western part (2.5mt) is likely to follow on after extraction in the current workings in the eastern half is completed.
- 6.2.23 Swarkestone North, Sudbury, Foston and Elvaston are also proposed to be allocated. These sites would yield approximately 4.25 million tonnes, 2 million tonnes, 3.1 million tonnes and 1.5 million tonnes respectively.
- 6.2.24 These allocated sites would yield a total of around 13.35 million tonnes of sand and gravel. It is acknowledged that this is more than sufficient in overall terms to meet the remaining requirement of around 7 million tonnes for the Plan period. However, because Swarkestone North (the largest site) is only likely to become operational during the latter part of the Plan period, this site will only contribute a small proportion of its material in this Plan period (around 1mt of its total 4.25mt). There is a need, therefore, to allocate more sites to cater for this, and which will also ensure continuity of required annual production rates over the whole of the Plan period. For these reasons, the sites at Sudbury and Foston have been proposed as allocations. Without these additional sites, it is likely that required annual production rates of around 1 million tonnes in the latter part of the Plan period would not be sustained.
- 6.2.25 As shown in the deliverability schedule at Appendix B, total production over the Plan period is estimated at 18.6 million tonnes. Production will continue to be monitored and any significant changes which come to light may result in a review of this part of the Plan.

- 6.2.26 There are a number of matters that will need to be addressed in any planning application submitted to work the allocated sites. These principal planning requirements are set out at Appendix A of the Plan. The requirements are not necessarily a comprehensive set of all the matters which will need to be addressed. Planning proposals will need to provide sufficient evidence to satisfy all policies of the development plan, where relevant.

ADDITIONAL SITES

POLICY SP6: OTHER SITES FOR SAND & GRAVEL SUPPLY

Outside the allocated areas, proposals for sand and gravel extraction for aggregate purposes will be supported provided that the site is required to meet an identified need to address a shortfall in the landbank and/or to sustain production capacity to meet current and anticipated need, as identified by the Local Aggregate Assessment.

REASONED JUSTIFICATION

- 6.2.27 This policy proposes to supply any unforeseen needs over the Plan period. There may be cases where allocated sites cannot be developed or existing sites are lost through closure, which may require the need for the release of additional reserves, particularly where this has led to a shortfall in the required landbank.
- 6.2.28 In order, therefore, to provide a further degree of flexibility and to reinforce the Plan's commitment to ensuring the delivery of a steady and adequate supply of sand and gravel for aggregate purposes over the Plan period, the ability to obtain planning permission during the Plan period outside the areas identified in Policy SP5 is not ruled out.

Figure 6.2.4 Foston

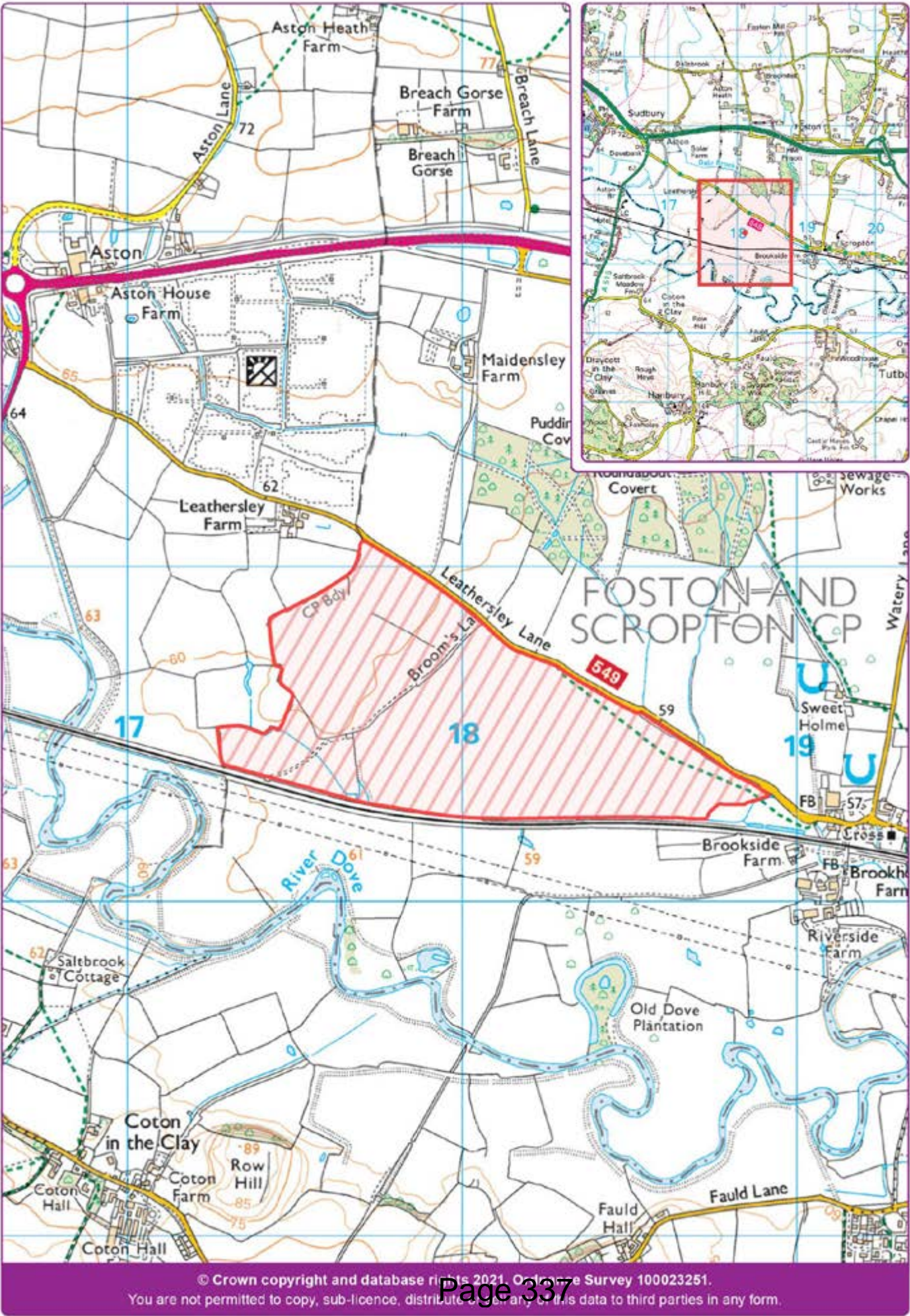


Figure 6.2.5 Sudbury

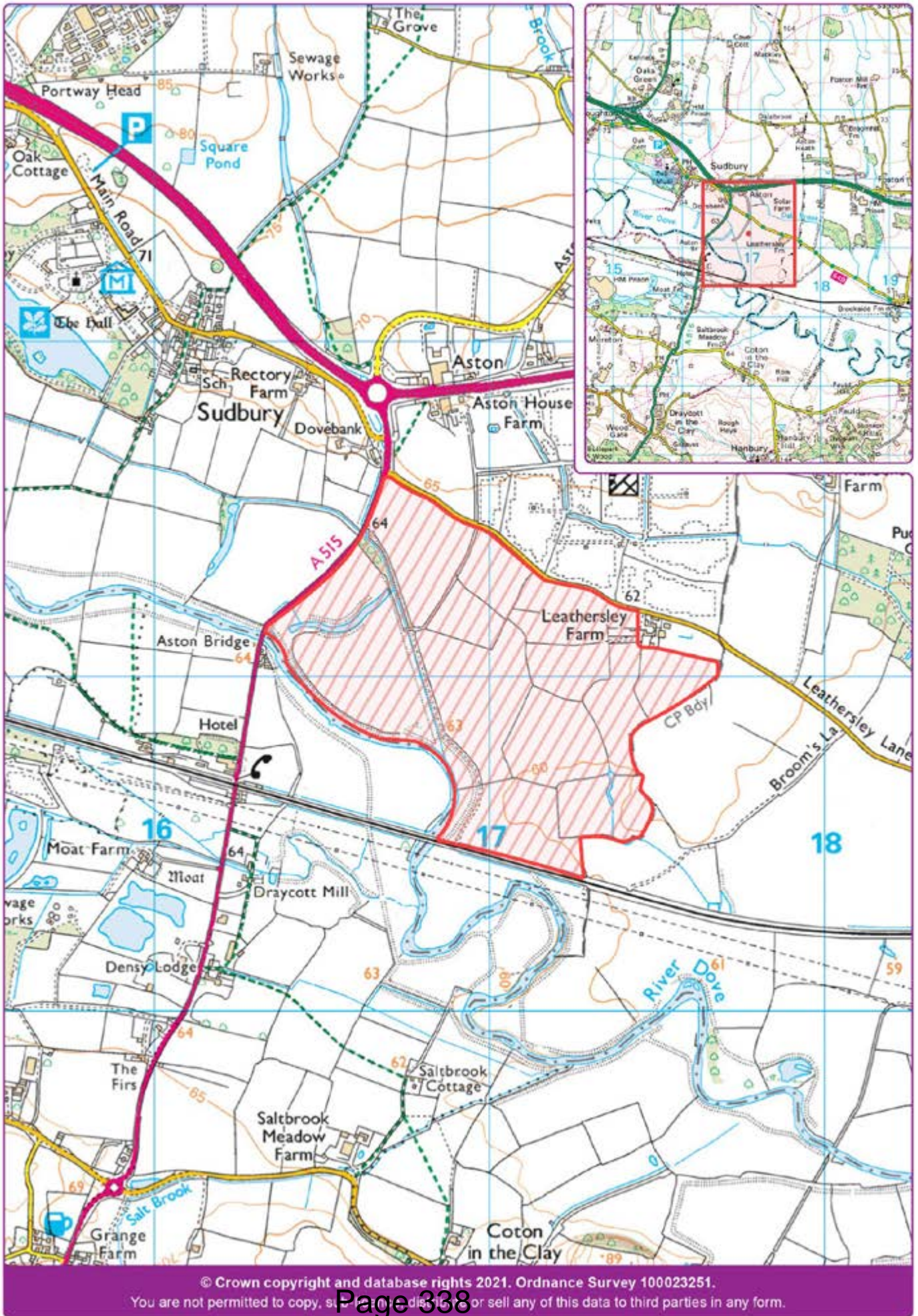


Figure 6.2.6 Elvaston

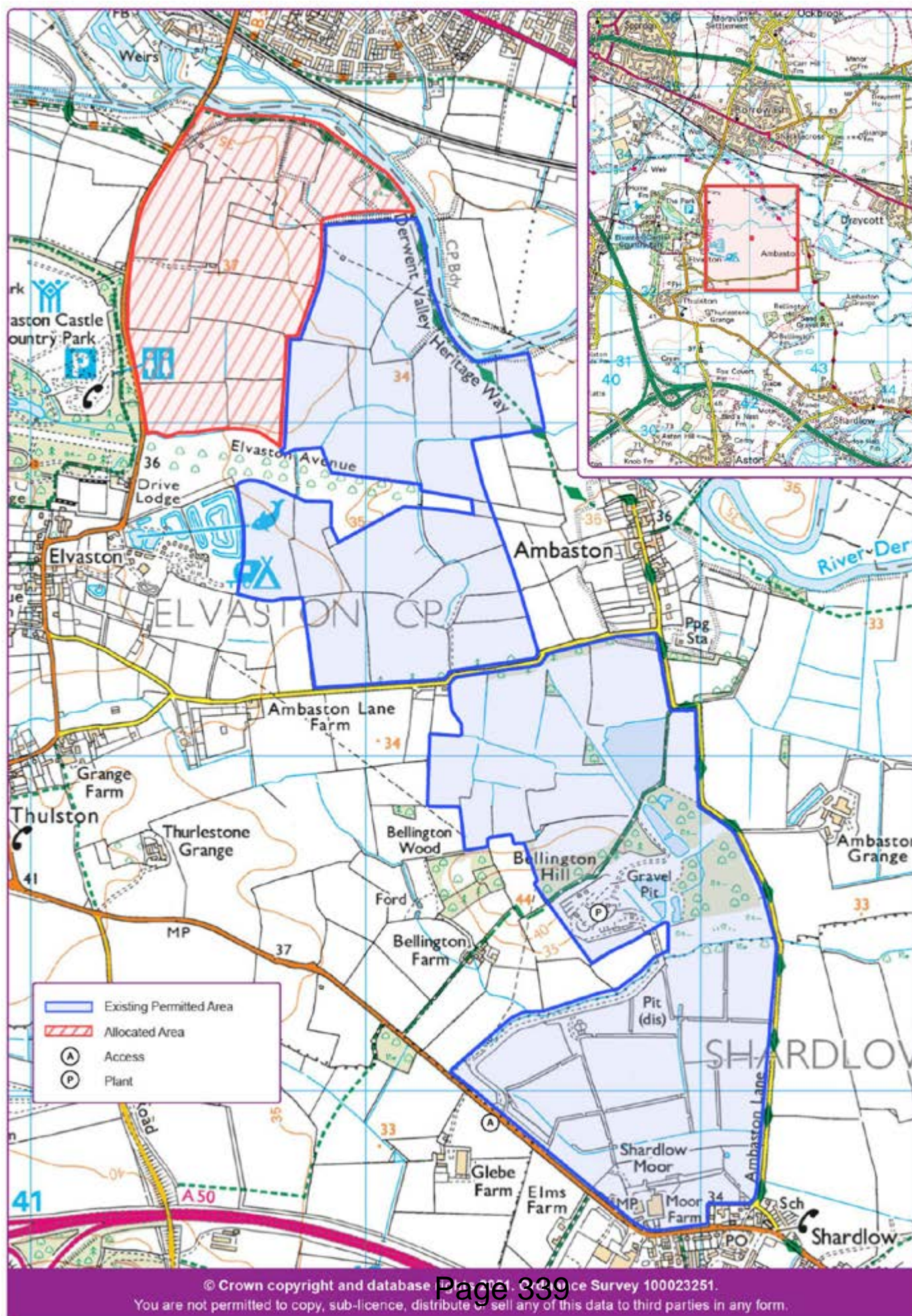


Figure 6.2.7 Swarkestone South

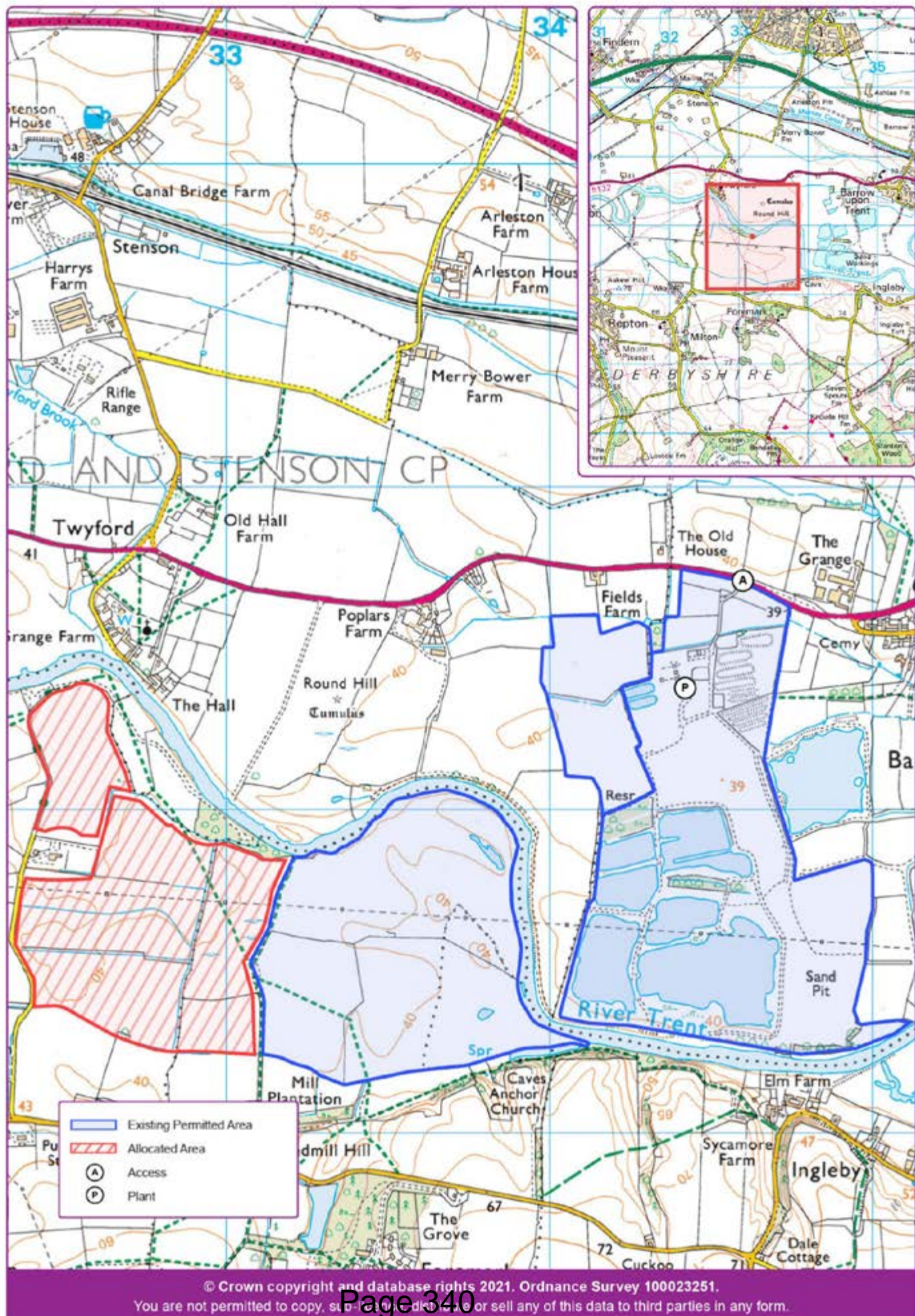
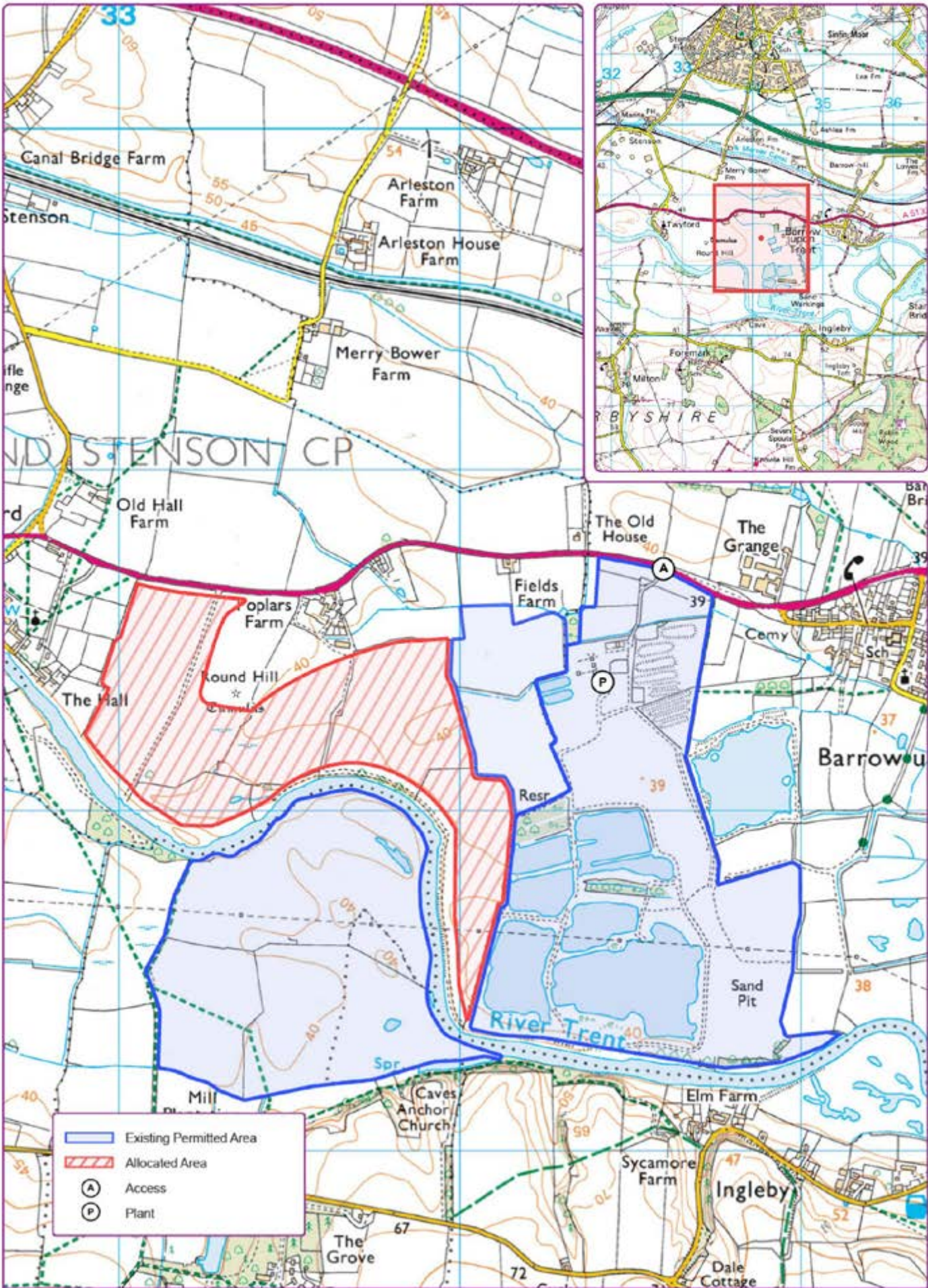


Figure 6.2.8 Swarkestone North



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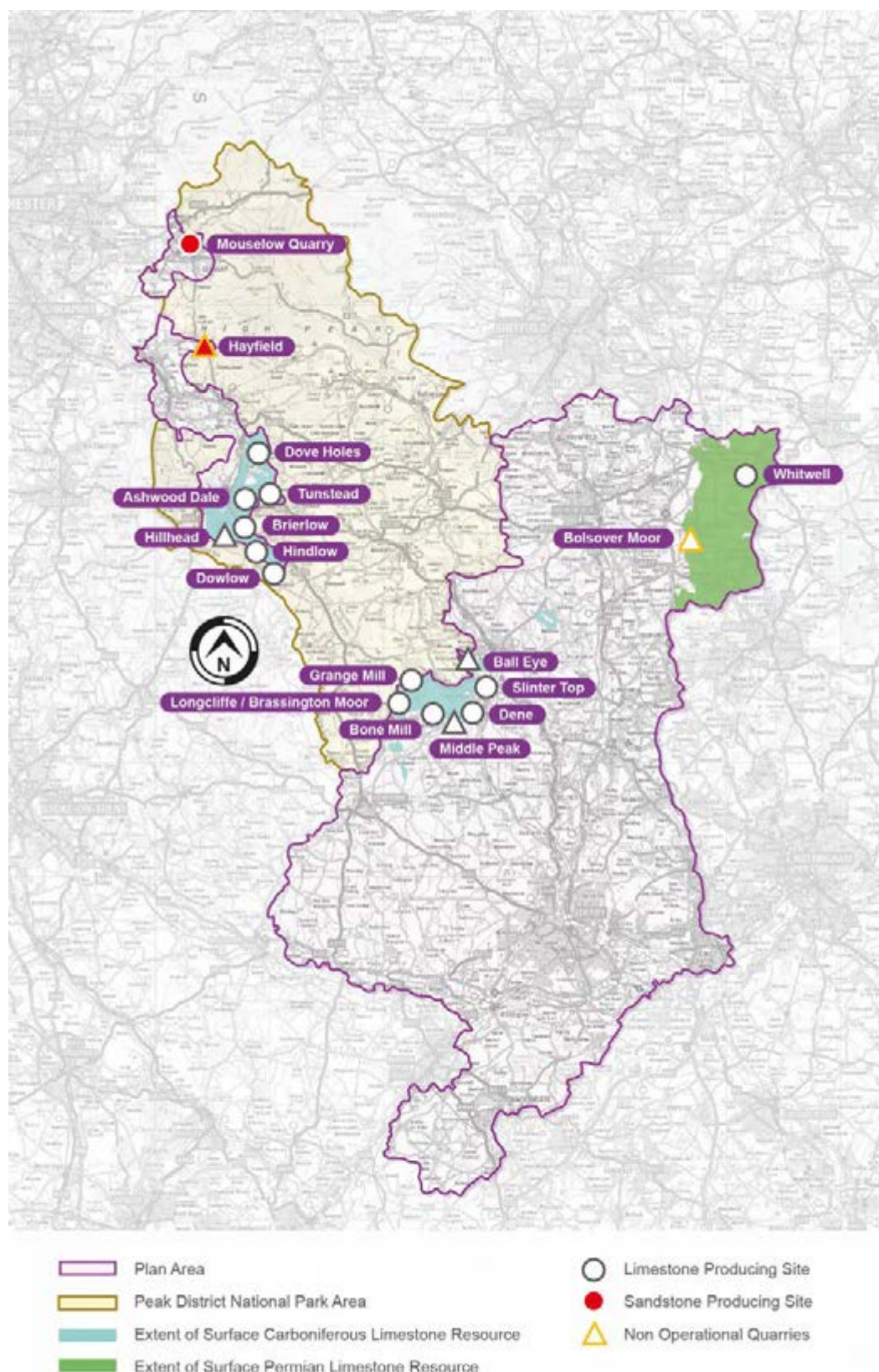
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6.3: Aggregate Crushed Rock

INTRODUCTION AND BACKGROUND

- 6.3.1 Crushed rock is produced from hard rock formations, particularly limestone and sandstone, by mechanical crushing. Crushed rock resources vary greatly in terms of their structure and composition. Their use can, however, be divided into two main types, depending upon the physical and chemical properties of the mineral. Limestone which is valued for its specific chemical properties is used primarily in the chemical and manufacturing industries and is commonly referred to as ‘industrial’ limestone. This is discussed in Chapter 7.2 of the Plan. This chapter is concerned with the limestone which, together with a small amount of sandstone, is valued mainly for its physical properties and is used as an aggregate for construction purposes, mainly as fill material, roadstone and in the manufacture of concrete.
- 6.3.2 The area covered by this Plan is one of the main producers of aggregate crushed rock in the country. Aggregate crushed rock, which comes from the limestone resource of Derbyshire is a resource of national importance because it is used throughout the United Kingdom.
- 6.3.3 As shown on Figure 6.3.1 below, the principal sources of Carboniferous Limestones within Derbyshire are found outcropping mainly around Buxton and also in an area around Matlock and Wirksworth/Cromford and this is where the majority of quarries are found. Permian Limestone is found outcropping in the northeast of the county around Bolsover and Whitwell.
- 6.3.4 Whilst total resources of sandstone and gritstone within the Plan area are large, deposits of a quality which can be used as aggregate are much scarcer and this restricts the demand for their exploitation. Relatively small amounts of this material are quarried in the northwest of the county around New Mills and Hayfield.
- 6.3.5 The nature of the material and the depths to which the resource extends means that hard rock quarries are worked over relatively long periods of time. The scale of the operations and the relatively small quantities of waste material involved compared to the rock which is removed means that it is not generally possible to restore land to its original levels following completion of working.

Figure 6.3.1 Hard Rock Resources with operational and non-operational quarries



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POLICY SP7: THE SUPPLY OF AGGREGATE CRUSHED ROCK

To meet identified levels of demand for aggregate crushed rock over the plan period from 1 January 2022 to 31 December 2038, the continued working of existing reserves at an annual minimum rate of 8.85 million tonnes will ensure that provision is made for at least 150.45 million tonnes.

Proposals for the extraction of aggregate crushed rock will be supported where it can be demonstrated that:

- 1) they are required to maintain at least a 10-year land bank of permitted reserves, and/or**
- 2) they will result in significant net sustainability benefits to the local community and/or the local/wider environment.**

Where appropriate, the MPA will seek to enter into Section 106 Agreements to secure the implementation of any benefits proposed.

REASONED JUSTIFICATION

6.3.6 Aggregate crushed rock is a mineral of national and local importance, of which Derbyshire is one of the main suppliers. The NPPF specifies that MPAs should plan for a steady and adequate supply of aggregate minerals by preparing a LAA and through this, making provision for aggregates by the allocation of specific sites, preferred areas and/or areas of search. In addition, it sets out that MPAs should also maintain a landbank (stock of permitted reserves) of crushed rock which will last for at least 10 years.⁶⁷

6.3.7 PPG⁶⁸ explains that the MASS seeks to ensure a steady and adequate supply of aggregate mineral, to handle the significant geographical imbalances in the occurrence of suitable natural aggregate resources, and the areas where they are most needed. It requires MPAs which have resources of aggregates to make an appropriate contribution to national as well as local supply.

⁶⁷ National Planning Policy Framework Paragraph 213, July 2021

⁶⁸ Planning Practice Guidance, October 2014

- 6.3.8 It also sets out that aggregate landbanks should be used as a trigger for a MPA to review the current provision of aggregates in its area and consider whether to conduct a review of the allocation of sites in any existing adopted Plan.

NEED

- 6.3.9 The MASS provides the national framework for determining the need for aggregates and sets out that MPAs which have resources of aggregates make an appropriate contribution to supply. The Plan area has significant reserves of hard rock and, through the Duty to Cooperate, the MPA has agreed to continue to help contribute towards the aggregate crushed rock requirements of many other areas within the United Kingdom which do not benefit from their own resources. The LAA 2022⁶⁹ for the Plan area concludes that there are already sufficient permitted reserves of this resource to last well beyond the end of the Plan period in order to continue to help meet these needs. In numerical terms, therefore, there will be no requirement for the Plan to identify further reserves. There could, however, be circumstances where it may be appropriate for permission to be granted for further reserves.

SUPPLY

- 6.3.10 There are nineteen quarries in the Plan area which have permission for the extraction of crushed rock for aggregate. Thirteen of these are producing aggregate and the other six are currently non-operational.
- 6.3.11 Survey data from 2021 shows that there is an estimated reserve of around 672.4 million tonnes of rock for aggregate use at these quarries; 453.1mt at the operational sites and 219.3mt at the non-operational sites. The LAA proposes an annual provision rate of 8.85 million tonnes. As a result, there is a landbank of reserves of around 76 years. This extends well beyond the timescale of this Plan. This landbank is capable of providing for an upturn in crushed rock demand, provided that sufficient productive capacity is available at the existing quarries and that existing reserves remain capable of being worked.
- 6.3.12 In accordance with the most recent LAA, the Plan will continue to compensate for the continued and progressive reduction of quarrying in the PDNP and provide flexibility to cater for potential increases in demand from other areas that are reliant on supplies of aggregate crushed rock from Derbyshire. Currently, it has been agreed that Derbyshire will increase its annual provision

⁶⁹ Derbyshire, Derby and Peak District National Park Authority Local Aggregate Assessment, 2022

figure by 10% of the PDNP three-year average figure to compensate for a reduction in the PDNP figure of the same amount. The LAA sets out that Derbyshire will provide around 8.85 million tonnes of aggregate crushed rock each year from existing reserves. This will continue to be reviewed on an annual basis. Further details regarding this issue are set out in Chapter 6.4.

NEW SITES FOR CRUSHED ROCK

- 6.3.13 The scale of the landbank for aggregate crushed rock in Derbyshire of around 76 years means that there should be no requirement in numerical terms to permit additional reserves over the Plan period. In general terms, it is likely to be more sustainable to continue to use the existing landbank than to grant permissions for further sites.
- 6.3.14 There may be cases, however, where proposals come forward for new aggregate crushed rock quarries or extensions to existing quarries, which offer significant economic and/or social sustainability benefits to the local community and/or the environment, but which would not lead to a significant increase in the landbank of aggregate crushed rock.
- 6.3.15 Local benefits from new proposals for quarrying (particularly extensions to existing quarries) would include continued local benefit through employment or a reduction in the impact of quarrying, for example through improvements to access, relocation of the plant operations, better control of working methods, reduction in road transport or an improved restoration scheme for the wider working area.
- 6.3.16 Where a clear benefit to the local community or the local environment cannot be identified within the proposal itself, additional benefits might include contributions to wider local environmental projects or the maintenance of public footpaths through operator owned land. It could also involve the relinquishment of permitted reserves elsewhere in the Plan area or the PDNP, which are considered unacceptable if they were worked in the future, in exchange for new reserves. Proposals would be required to deliver better outcomes in overall sustainability terms. Policy DM2: Criteria for Assessing the Benefits of Mineral Development Proposals at Chapter 11 sets out how the MPA will assess the benefits of mineral proposals.

6.4: Helping to Reduce Quarrying in the Peak District National Park

INTRODUCTION AND BACKGROUND

- 6.4.1 National Planning Policy seeks to conserve and enhance the landscape and scenic beauty of National Parks. To help achieve this, it also seeks to maintain landbanks of non-energy minerals from outside designated areas, such as National Parks. The PDNPA has a policy in its adopted Core Strategy (2011) to not allow proposals for new quarries or extensions to existing quarries in the National Park (other than proposals for the small scale working of building and roofing stone) other than in exceptional circumstances, in order to help protect the special qualities of the landscape. Although having been adopted prior to NPPF, this policy is consistent with the NPPF in that it helps to achieve the aims of maintaining landbanks of minerals outside the National Park, thus helping to conserve and enhance the landscape and scenic beauty of the National Park.
- 6.4.2 The concept of the MPA assisting the PDNPA with its aim of reducing quarrying of aggregate has been included as an issue since the start of the preparation of this Plan at Issues and Options stage and has received public support at the various consultations. With the Plan area being adjacent to the PDNP and having plentiful supplies of limestone which is of similar geological type and composition as resources in the PDNP as well as having similar markets, it is considered to be a sound and sustainable approach which helps to achieve the aims of the NPPF in respect of conserving and enhancing the landscape and scenic beauty of National Parks.
- 6.4.3 The Plan helps the PDNPA to achieve this aim by increasing the provision figure for aggregate crushed rock (limestone and gritstone) in the Plan area to compensate for a continued reduction of quarrying in the National Park. This can only be achieved for aggregate minerals with a level of accuracy because there is a national system for determining levels of aggregate provision, the MASS. There is not such a system for minerals which are used for industrial purposes or for minerals which are used for building and roofing stone.

POLICY SP8: HELPING TO REDUCE QUARRYING IN THE PEAK DISTRICT NATIONAL PARK

Derbyshire and Derby will compensate for a continued reduction in quarrying from the Peak District National Park over the Plan period through an increase in its provision figure for aggregate crushed rock, as set out in the most recent Local Aggregate Assessment.

REASONED JUSTIFICATION

- 6.4.4 Section 62 of the Environment Act 1995 makes it a duty for all relevant authorities (including Government departments and agencies, utility companies and parish councils) to have regard to National Park purposes when coming to decisions or carrying out their activities.
- 6.4.5 The NPPF sets out that great weight should be given to conserving and enhancing the landscape and scenic beauty in National Parks and that mineral planning authorities should provide, as far as is practicable, for the maintenance of landbanks of non-energy minerals from outside National Parks. It states further that when considering applications for development within National Parks, planning permission should be refused for major development other than in exceptional circumstances.⁷⁰ The Councils recognise that this should be considered in the context of the benefits of mineral extraction to the economy, ensuring that adequate supplies of minerals are provided and recognising that minerals can only be worked where they occur.
- 6.4.6 One of the primary objectives of the PDNPA is to conserve and enhance the special qualities of the National Park. This encapsulates the approach to the protection of National Parks, which is embodied in National Planning Policy.
- 6.4.7 Minerals Policy 1 in the Peak District National Park Core Strategy seeks to reduce quarrying in the National Park through not permitting new proposals for mineral extraction or proposals which would extend existing operations, other than in exceptional circumstances (other than local small-scale proposals for building stone). It should be recognised that this policy does not categorically rule out permission being granted for mineral extraction. The onus will be on

⁷⁰ National Planning Policy Framework Paragraph 211, July 2021

an applicant to demonstrate the 'exceptional circumstances' which may allow for mineral development in the National Park.

- 6.4.8 The MASS has provided the mechanism to deliver long term planning for the supply of aggregates. It seeks to meet imbalances in supply and demand for aggregates. The underpinning concept behind the MASS is that Mineral Planning Authorities which have adequate resources of aggregates should make an appropriate contribution to national as well as local supply, while making due allowance for the need to reduce environmental damage to an acceptable level. LAA is a key part of this system.
- 6.4.9 To support the NPPF approach of providing, as far as is practicable, for the maintenance of landbanks of non-energy minerals from outside National Parks, Derbyshire County Council has confirmed, as part of the Duty to Cooperate, that it is willing to meet a shortfall in aggregate provision arising from the reduction in production within the National Park. This approach has been encapsulated in the emerging Plan since the Issues and Options stage and in the LAA since it was first produced in 2014 and has been approved by the East Midlands Aggregates Working Party. The LAA reduces the provision figure for aggregate crushed rock from the PDNP by 10%, and this is added to the provision figure for Derbyshire and Derby.
- 6.4.10 The similarity of the mineral resources in the areas of Derbyshire both within and outside the National Park, together with the similarity of the markets for the mineral mean that overall supply of the mineral is not likely to be affected to any significant extent. Adequate supplies of mineral will continue to be supplied from the area with no significant adverse impacts on the economy. As a result of the overall supply from the area as a whole remaining steady, there is unlikely to be any significant impact on employment within the industry.
- 6.4.11 As noted above, should an exceptional need be demonstrated for additional quarrying of aggregate in the National Park, this will be considered by the PDNPA.

CHAPTER 7: Supply of Non-Aggregate Minerals

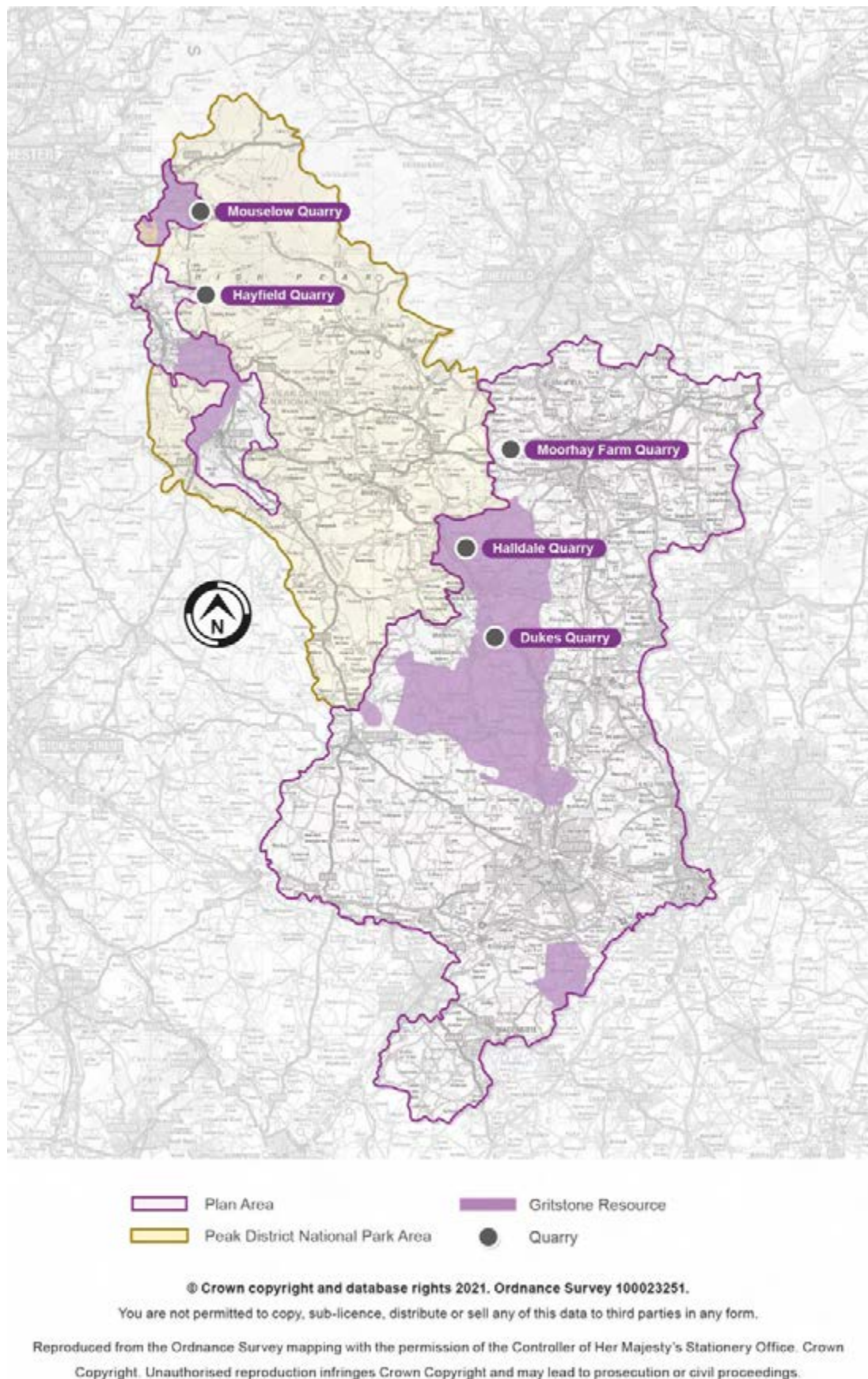
- 7.0.1 Non-aggregate minerals are those which are used for purposes other than aggregate. They are minerals which are used mainly for industrial processing and manufacturing purposes. This includes, in particular, limestone in cases where its particular chemical properties make it a valuable mineral for a wide range of industrial and manufacturing processes. Limestone is also used on a very small scale, along with sandstone, as building and roofing stone. Clays from the Plan area are also used in the production of bricks. Vein minerals including Fluorspar and Barytes are also extracted on a relatively small scale from the Plan area and are important for use in a variety of chemical and industrial processes.

7.1: Building Stone

INTRODUCTION AND BACKGROUND

- 7.1.1 This chapter focusses on building stone, which includes material used for roofing, walling, flagstones or ornamental purposes. The main source of building and roofing stone in the Plan Area is the sandstone/gritstone of Carboniferous origin. Limestone is also produced in small amounts for this purpose as a by-product at some of the limestone producing quarries.
- 7.1.2 Building stone operations are generally relatively small low-key operations and are characterised generally by short term intermittent working to meet an identified need for stone for specific projects
- 7.1.3 To be suitable for building purposes, stone has to be of a particular quality and character. Resources of building stone which are of a quality and specification that can be used for building are scarce. As with all minerals, it is a finite resource and can only be worked where it is found.
- 7.1.4 The market for building stone is small but profitable and is concerned mainly with the repair and restoration of historic buildings, the repair/extension of existing properties or for new build properties and structures in areas of high environmental value, such as conservation areas where it is important to preserve and enhance local distinctiveness and local building character. The colour and appearance of stone varies greatly depending on where it is found, which means that building stone must often be sourced locally if the character and appearance of local buildings is to be maintained.
- 7.1.5 As can be seen in Figure 7.1.1, there are five quarries in the Plan area which have planning permission specifically for the production of building stone and which have permitted reserves of building stone. Production from these is on a relatively small and intermittent scale. These are Halldale Quarry near Darley Dale, Dukes Quarry near Whatstandwell, Mouselow Quarry near Glossop, Hayfield Quarry near New Mills and Moorhay Farm Quarry near Chesterfield. In recent years, only Dukes Quarry and Mouselow Quarry have been producing any building stone, although some aggregate quarries have produced some as an ancillary product for specific orders. Moorhay Farm Quarry has been producing small quantities of stone roofing slate, with paving stone and walling stone produced as a by-product.

Figure 7.1.1 Building Stone Resources and Quarries with Permission for the Extraction of Building Stone



POLICY SP9: THE SUPPLY OF BUILDING STONE

Proposals for new building stone quarries or extensions to existing quarries will be supported where it can be demonstrated that:

- 1) The stone extracted would be primarily used for building purposes rather than for aggregate purposes.**
- 2) Proposals for the supply of building stone are supported by evidence to demonstrate the contribution that the stone proposed to be worked would make to the quality and distinctiveness of the built and/or historic environment in the Plan area and/or to meeting particular requirements for building stone outside the area.**
- 3) The scale of the proposal is consistent with the identified needs for the stone.**

REASONED JUSTIFICATION

7.1.6 The NPPF sets out the national approach to planning for the sustainable use of minerals. It states that local planning authorities should consider how to meet any demand for the extraction of building stone needed for the repair of heritage assets, taking account of the need to protect designated sites and to recognise the mainly small scale, intermittent nature and impact of building and roofing stone quarries and the need for a flexible approach to the duration of planning permissions, reflecting the intermittent or low rate of working at many sites.⁷¹

7.1.7 The NPPF sets out the national policy approach to the conservation and enhancement of the historic environment, referring to the treatment of historic buildings and the wider historic environment and the wide range of social, economic and environmental benefits that the conservation and enhancement of the historic environment can bring. It recognises that new development within historic areas can make a positive contribution to the area.⁷² The continued provision of building stone from the Plan area will help to ensure that

⁷¹ National Planning Policy Framework Paragraph 211, July 2021

⁷² National Planning Policy Framework Part 16, July 2021

there continues to be a sufficient supply of appropriate stone to help fulfil these requirements.

- 7.1.8 There will be a certain amount of by-product stone which is not suitable for use as building/roofing stone and which, if justified, may be sold for aggregate or is deemed to be waste material and is used in the final restoration of the site. This is in line with national requirements to make the best use of limited resources to secure their long-term conservation. It will be important that the proposal is of a scale that reflects the identified need for the stone and also respects the location where it is proposed and that any adverse impact on the surrounding area can be mitigated in accordance with other policies of the Plan.

Need

- 7.1.9 The market for building stone fluctuates greatly, meaning future demand is very unpredictable. There are also wide variations in the character of the stone, which are critical to specific market needs. This increases the unpredictability of determining where stone will be extracted for specific projects over the Plan Period.
- 7.1.10 In the Plan Area, the majority of resources of building and roofing stone are in the parts of Derbyshire which are close to the PDNP which may impact on the setting of the National Park. The need to protect the landscape will, therefore, be an important consideration in proposals to work this resource. In assessing proposals for building stone therefore, the MPA will have particular regard to Policies SP1 and DM4 which seek to protect the National Park.
- 7.1.11 The continued quarrying of local building stone plays an important role in helping to preserve the historic environment and enhancing the local distinctiveness of an area. Local building stone is usually needed to enable existing historic buildings and structures to be repaired and restored effectively and it also means new buildings in historic areas can blend in with the surrounding area more effectively. The stone may also be required at times for the repair and restoration of historic buildings outside the Plan area where stone of particular characteristics is required to match the existing stone. Although evidence about future requirements for building stone is very limited, it is likely that demand for this stone from the Plan area is likely to remain around existing rates over the course of the Plan period.

Supply

7.1.12 Unlike for aggregates, there is no managed supply system for building and roofing stone, so it is not possible to determine with any reasonable accuracy the level of supply which will be required over the Plan period. Supply will be maintained through existing permitted quarries listed above and, whilst sandstone/gritstone resources are widespread within the Plan area, only limited deposits have sufficient qualities to make them important for building stone purposes and therefore, the Plan proposes to supply any unforeseen need through a plan-wide policy, which allows for new working subject to meeting certain criteria.

7.2: Industrial Limestone

INTRODUCTION AND BACKGROUND

- 7.2.1 Limestone is by far the most significant mineral quarried within the Plan area in terms of the number of quarries and the scale of production, around 12 million tonnes in 2021⁷³).
- 7.2.2 Limestone is mainly quarried within the Plan area for use in the construction industry (about 75% of production) where its physical properties have made it the principal source of crushed rock aggregate for use as fill material, road stone and in the manufacture of concrete. Limestone is also used on a very small scale, along with sandstone, as building stone. Limestone used for these purposes is covered elsewhere in this Plan at Chapter 6.3 for Aggregate Uses and Chapter 7.1 for Building Stone.
- 7.2.3 Limestone is also a very important ‘industrial’ mineral where its chemical properties make it a valuable mineral for a wide range of industrial and manufacturing processes; recently⁷⁴ around 3 million tonnes has been quarried annually in the Plan area for this purpose. It can be crushed and used for chemical applications, for example, in flue gas desulphurisation, ceramics or glass production. It can be calcined (heated) and used in the production of cement or in the production of lime for use in steel making or water purification/sewage and effluent treatment. It can be coarsely ground and used in animal feeds/agriculture and carpet backing/plastic floor tiles or finely ground to produce a powder which is used extensively as a filler in a diverse range of products such as paints, plastics, paper, rubber, sealants, pharmaceuticals, food and drink etc.
- 7.2.4 Although limestones occur widely in England, many are unsuitable for industrial use because of their chemical and/or physical properties. The Plan area makes an important national contribution to the supply of industrial limestone; the three main areas of production are around Buxton and Wirksworth on the Carboniferous Limestone resource and near to Whitwell on the Permian Limestone resource.
- 7.2.5 Limestone quarries are characteristically large scale and long term. A particular feature of industrial limestone working is the importance of the

⁷³ East Midlands Aggregates Working Party: Annual Minerals Survey (2009-2021)

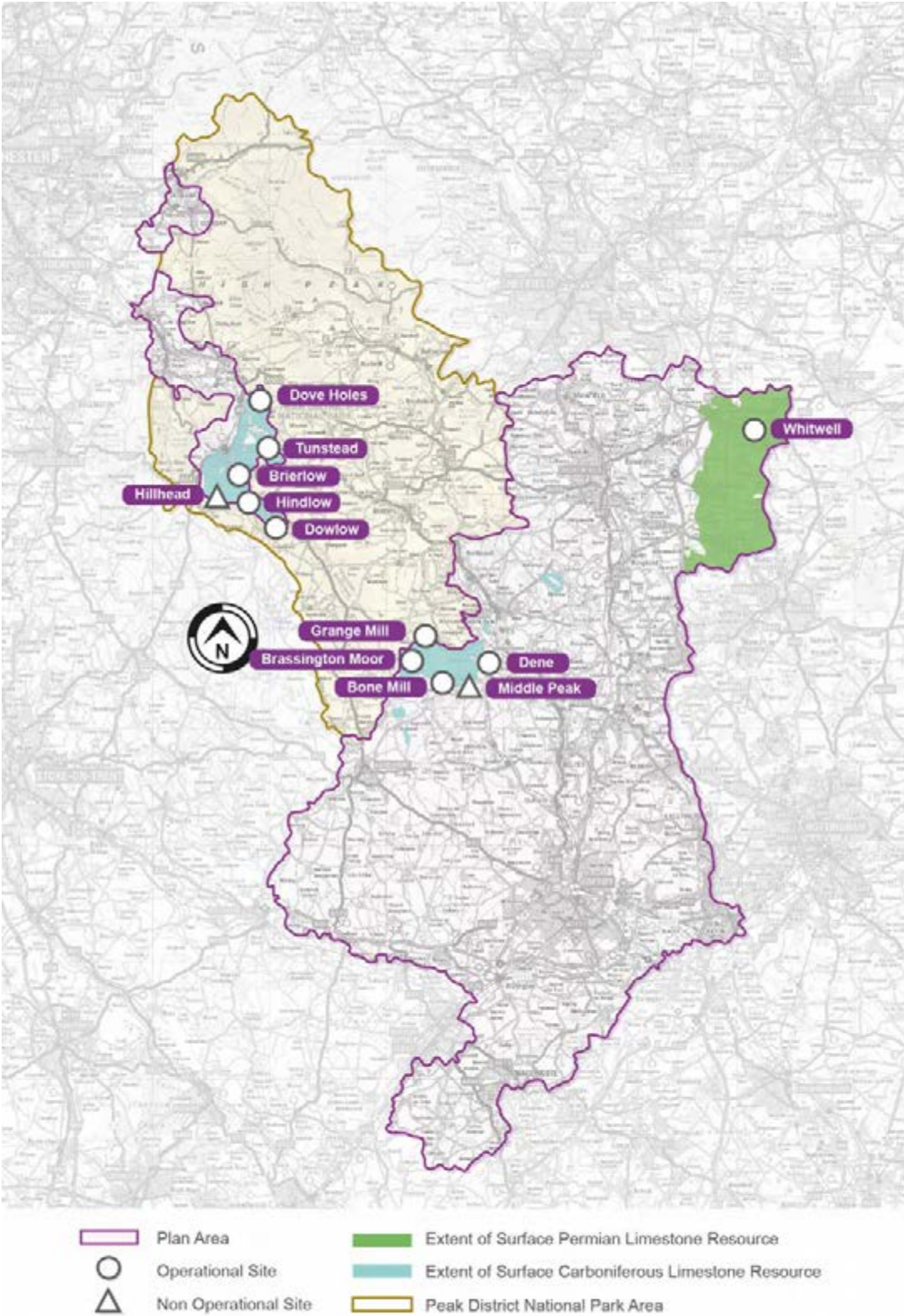
⁷⁴ East Midlands Aggregates Working Party: Annual Minerals Survey (2009-2021)

specification of the mineral which may require multiple extraction faces within one quarry or supplies of feedstock from several different quarries to allow blending. It may also lead to only a small proportion of the mineral being suitable for industrial purposes with the remainder being used for aggregates. The need for multiple working areas may impact on the timescale within which the quarry can be restored.

- 7.2.6 In 2021, a total of ten quarries produced industrial limestone within the Plan area, depicted on Figure 7.2.1. Most of these quarries also produced limestone for aggregate use and in some cases industrial limestone production is quite low. In addition to the operational quarries, a further three non-operational quarries have reserves of industrial limestone and would not require a new planning permission to resume extraction but are not currently producing limestone. Estimated permitted reserves at operational sites for industrial uses totalled around 200 million tonnes⁷⁵ in 2021. Industrial grade limestone from the Plan area is used to produce lime and industrial carbonates for national and local markets and for export. A full range of products are produced from the Plan area for use in, for example, flue gas desulphurisation, glass production, steel making, water purification/sewage and effluent treatment, agricultural improvement, cement production, animal feedstuffs, carpet backing/tiles. The Plan area also contains very high purity grade limestone which is finely ground to form powders for use in a diverse range of applications.

⁷⁵ East Midlands Aggregates Working Party: Annual Mineral Surveys (2009-2021)

Figure 7.2.1: Limestone Resources with operational and non-operational Industrial Limestone quarries 2021



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POLICY SP10 SUPPLY OF INDUSTRIAL LIMESTONE

Proposals for the extraction of Industrial Limestone will be supported where additional reserves are required for use in industrial and manufacturing processes and where:

- 1) they are required because of their particular chemical and/or physical properties; and/or
- 2) the stock of permitted reserves can be shown to have fallen below the level required to sustain production throughout the plan period; and/or
- 3) they are required to provide the necessary level of security of supply to support the level of actual and proposed investment required for new or existing plant and the maintenance and improvement of existing plant and equipment; and
- 4) the recovery of the mineral is maximised to meet that use; and
- 5) the method of their extraction would not result in an unreasonable delay to the proposed restoration of the site.

Where appropriate, the MPA will seek to enter into a planning obligation to control the use of industrial limestone for industrial purposes.

REASONED JUSTIFICATION

NPPF

7.2.7 The NPPF⁷⁶ identifies limestone as a mineral of national and local importance and requires the MPA to plan for industrial minerals, such as limestone, by co-operating with neighbouring and more distant authorities, to ensure adequate provision is made to support its likely use in industrial and manufacturing processes. Safeguarding and stockpiling should be encouraged to ensure that the mineral remains available for future use. The NPPF sets out that MPAs should plan to maintain a stock of permitted reserves to support the level of actual and proposed investment required for new or existing plant and the maintenance and improvement of existing plant and equipment. It specifically requires that for cement, primary (chalk and limestone) and secondary (clay

⁷⁶ National Planning Policy Framework, July 2021

and shale) materials, the stock of reserves should be equivalent to at least 15 years to support the maintenance of an existing plant and at least 25 years to support the development of a new kiln. It does not set out requirements for other industrial uses of limestone such as the manufacture of lime.

PPG

- 7.2.8 PPG⁷⁷ provides specific advice on how MPAs should plan for industrial minerals. It notes that recognition should be given to any marked differences in geology, physical and chemical properties, markets and supply and demand between different industrial minerals which can have different implications for their extraction. It also stresses the economic importance of industrial minerals for downstream industries; the loss of supply of one mineral may jeopardise the whole manufacturing process.
- 7.2.9 PPG⁷⁸ provides advice on how and when the required stock of permitted reserves for industrial minerals should be calculated. It states that stocks of reserves should be calculated when a planning application is submitted or when new capital investment is proposed. The overall amount required should be linked directly to the scale of capital investment required to construct and operate the facility.
- 7.2.10 PPG⁷⁹ provides advice on the way in which MPAs should plan for mineral extraction. It states that priority should be given to identifying (allocating) specific sites for mineral working followed by preferred areas and areas of search. Site allocations should be restricted to where viable resources are known to exist, landowners are supportive of mineral development and the proposal is likely to be acceptable in planning terms.

Need

- 7.2.11 Industrial limestone from the Plan area supplies both national, local and export markets and in accordance with the NPPF, the Plan is required to include policies for its extraction to support its likely use in industry and manufacturing. There are no national assessments of need for Industrial Limestone. In order to make provision for its likely use in industrial or manufacturing processes, therefore, the plan has to meet both anticipated and unforeseen need. Such need may take the form of additional reserves required at an existing quarry

⁷⁷ Planning Practice Guidance Minerals 2014 Paragraph: 086 Reference ID: 27-086-20140306

⁷⁸ Planning Practice Guidance Minerals 2014 Paragraph: 088 Reference ID: 27-088-20140306

⁷⁹ Planning Practice Guidance Minerals 2014 Paragraph: 008 Reference ID: 27-008-20140306

to maintain supply or a new quarry. The overall production of industrial carbonates, including limestone and dolomite, is not anticipated to increase over the Plan period due to the national decline in industrial and manufacturing processes in Britain⁸⁰.

- 7.2.12 The annual production of industrial limestone from the Plan area has remained fairly steady at around 3 million tonnes over the last 12 years⁸¹. If demand follows the national trend ⁸² production is not expected to increase. At the end of 2021, permitted reserves in the Plan area were ‘theoretically’ equivalent to around 66 years of production at current annual rates, well beyond the Plan period to 2038. However, for the reasons set out above it is important to consider the need for industrial limestone reserves on an individual quarry basis in line with the individual characteristics of those quarries and the markets that they supply.
- 7.2.13 At individual quarries the overall stock of permitted reserves may not reflect the particular specifications needed for a particular industrial process. Subtle differences can make the performance of minerals different from one deposit area to another. Overall reserves may also contain areas of low-quality minerals not suitable as industrial minerals but suitable for aggregate uses. There are sufficient permitted reserves remaining at existing quarries to maintain production throughout the Plan period. At Whitwell Quarry, permitted reserves of dolomitic industrial limestone to supply the adjacent Whitwell Works are anticipated to run out in 2028 and Lhoist UK is actively seeking an alternative supply.
- 7.2.14 Additionally at Aldwark/Brassington Moor, the operator (Longcliffe Quarries Ltd) has indicated that it has insufficient reserves of ‘low cadmium, iron and lead’ mineral to maintain supply throughout the Plan period and is promoting an extension to its existing quarry (Aldwark South). The Company produces high purity limestone for specialist markets. Some of the products require exacting specifications which impacts on the availability of suitable reserves. The production of mineral used in animal feedstuffs and glass manufacture requires mineral that is low in cadmium, iron and lead. Permitted reserves of this specification are estimated to be exhausted between 2025 and 2031. The promoted extension area, which measures 25 Ha, would yield approximately

⁸⁰ UK Minerals Forum: Trends in UK Production of Minerals Feb 2014 – 7.8 Industrial Carbonates

⁸¹ East Midlands Aggregates Annual Minerals Survey (2009-2021)

⁸² UK Minerals Forum: Trends in UK Production of Minerals Feb 2014 – 7.8 Industrial Carbonates

24mt of reserve comprising 18% low cadmium reserves, 19% low iron reserves and 63% low lead reserves.

Supply

- 7.2.15 In order to meet the need for industrial limestone, the Plan will maintain supply in three ways. Firstly, through existing permitted reserves, which are present at ten active quarries (at three of these quarries industrial limestone production is small, less than 10%). Secondly, through an allocation of land for working additional reserves at Aldwark/Brassington Moor quarry. Thirdly, the Plan proposes to supply any unforeseen needs through a policy which allows for the working of additional reserves subject to meeting certain criteria.
- 7.2.16 The criteria include the need for the particular specification of mineral, the contribution to the stock of permitted reserves to maintain production throughout the plan period and/or to support the high capital and operating costs of industrial processing plant. For industrial limestone (not including cement) there is no requirement to maintain a stock of reserves at a particular level. Proposals will need to demonstrate how the reserves required link to the overall scale of investment proposed to construct/maintain the facility.
- 7.2.17 In the excavation of industrial grade limestone, rock of all grades will necessarily be produced and most producers of industrial limestone also produce aggregates. However, in view of the relative limited occurrence of industrial grade limestone, it is important that proposals include working schemes that maximise the recovery of such limestone to serve industrial limestone markets. Accordingly, where appropriate, the MPA will seek to enter into a planning obligation to control the use of industrial limestone for industrial purposes.
- 7.2.18 A particular feature of industrial limestone working is that it may require multiple extraction faces within one quarry, or supplies of specific feedstock from several different quarries, to enable blending of lower specification material with that of a higher grade. Alternatively, it may result in only a small proportion being suitable for specific industrial end uses, with remaining minerals being used for alternative purposes such as aggregates. It is important at the outset that the proposed working scheme would not result in an unreasonable delay to the overall restoration of the site.
- 7.2.19 Policy SP10 will apply plan-wide because whilst, Permian Limestones, and Carboniferous Limestones particularly, are widespread within the Plan area, only limited deposits have sufficient qualities to make them suitable for

industrial uses, making it difficult to identify ‘preferred areas’ or ‘areas of search’ from which future supply should be obtained.

- 7.2.20 Safeguarding is a further way of maintaining the future supply of industrial limestone. The Plan proposes to safeguard the whole of the Carboniferous and Permian Limestone resource to protect resources from sterilisation by non-mineral development. Safeguarding policies are set out at Chapter 9 of the Plan.

POLICY SP11: ALDWARE SOUTH

ALLOCATION OF LAND FOR INDUSTRIAL LIMESTONE WORKING AT BRASSINGTON MOOR QUARRY

Land is allocated for mineral extraction at Aldware/Brassington Moor Quarry, shown on the Policies Map.

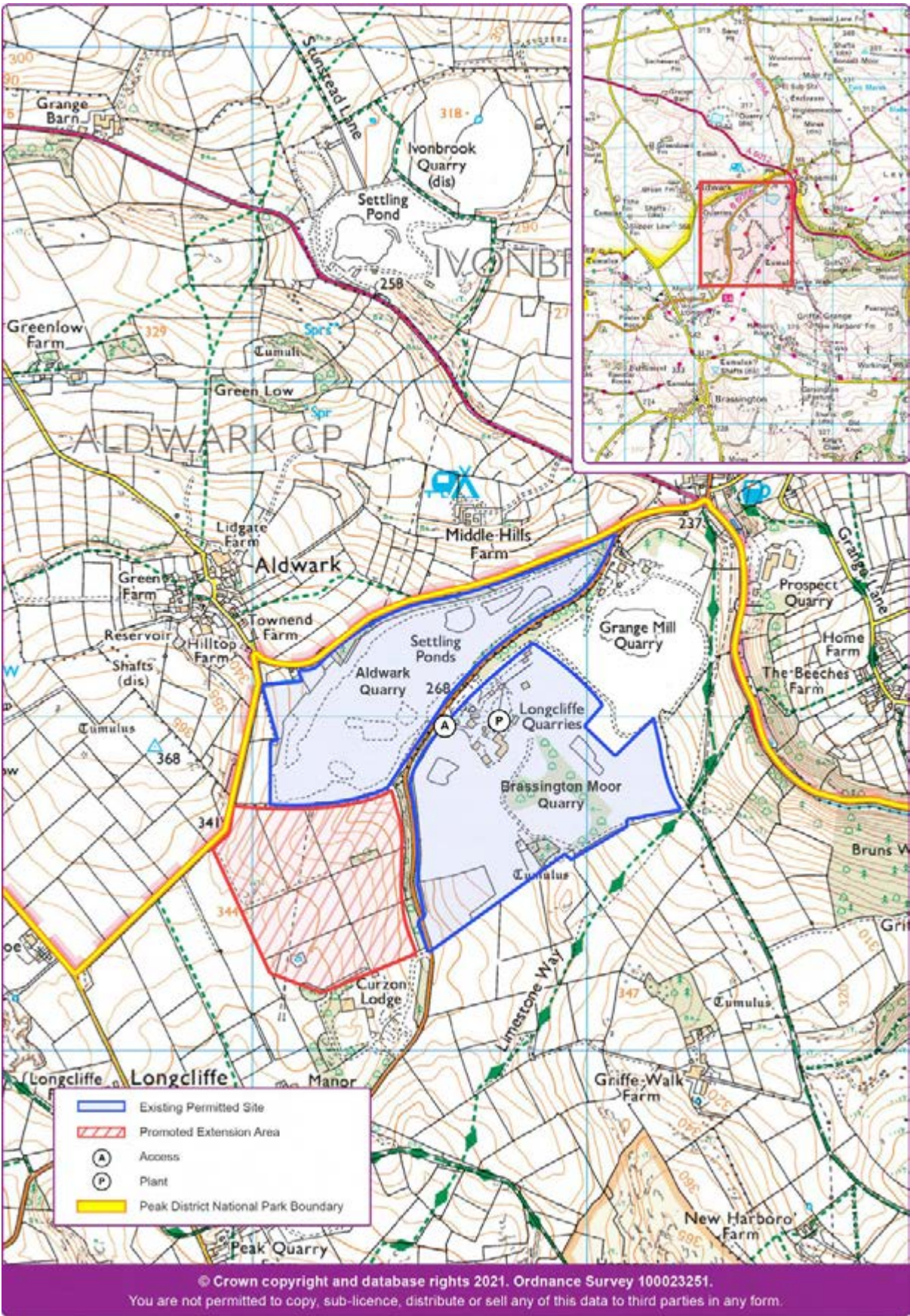
Proposals for the extraction of mineral from the allocated site will be supported provided that the processing and distribution of material from the site will be carried out via the established and permitted plant and access arrangements unless there are operational reasons why this is not practicable or there would be significant environmental benefits to be gained from alternative arrangements.

Proposals will need to satisfactorily address the Principal Planning Requirements set out at Appendix A of the Plan.

REASONED JUSTIFICATION

- 7.2.21 The Plan proposes to allocate land, see Figure 7.2.2, for working at Aldware/Brassington Moor quarry where there is a need for additional ‘low cadmium, iron and lead’ reserves to maintain production throughout the plan period. It is intended that the site will be worked through the existing plant and access arrangements.
- 7.2.22 There are a number of matters that will need to be satisfactorily addressed in any planning application submitted to work the allocated site. These principal planning requirements are set out at Appendix A of the Plan. The requirements are not necessarily a comprehensive set of all the matters which will need to be addressed. Planning proposals will need to provide sufficient evidence to satisfy all policies of the development plan, where relevant.

Figure 7.2.2 Aldwark South



Cement

INTRODUCTION AND BACKGROUND

- 7.2.23 Industrial limestone is a primary raw material in the manufacture of cement with clay and shale as secondary materials. The most important use of cement is in the production of mortar and concrete which are both vital construction materials for the building and civil engineering industries. There are five main producers of cement in the UK: Cemex UK Cement, Hanson Cement, Breedon Cement, Aggregates Industries and Tarmac. The UK's supply of cement is produced at just 11 plants. The UK is also a net importer of cement. Cement plants at Tunstead, in Derbyshire, Hope, in the Peak District National Park and Cauldon in Staffordshire are particularly important for supplying the nearby conurbations of Greater Manchester and the West Midlands.
- 7.2.26 Cement plants are large consumers of raw materials with about 1.6 dry tonnes of materials being required for each tonne of cement clinker produced. Processing plants associated with cement manufacture are generally large and require high capital investment; cement raw materials therefore must be available in sufficiently large quantities to justify this investment. Consequently, modern cement operations are usually large-scale and long-lived. A particular issue associated with cement manufacture is the generation of greenhouse gas emissions; this matter is addressed in Chapter 5 Climate Change.

POLICY SP12: SUPPLY OF CEMENT MAKING MATERIALS

Proposals for the extraction of Limestone, Clay or Shale for use in the manufacture of cement will be supported where they are required to supply a cement works and where:

- 1) They will contribute towards the maintenance of a stock of reserves of at least 15 years to support an existing kiln or 25 years to support a new kiln and/or**
- 2) They are required because of their particular chemical or physical composition.**

Proposals that accord with the criteria set out in SP12 will be supported provided that:

- 1) They are extensions of time and/or physical extensions to existing limestone/clay/shale quarries; or
- 2) Where the proposal involves a new quarry, it is located as near as possible to the cement works where the material will be used.

REASONED JUSTIFICATION

NPPF

7.2.27 The NPPF⁸³ identifies cement making materials as minerals of national and local importance and accordingly requires the Plan required to include policies for their extraction to support their likely use in cement production. The NPPF requires a minimum stock of 15 years of primary (limestone) and secondary (clay/shale) to support investment at an existing plant and 25 years to support investment to develop a new kiln. These requirements apply to individual sites or feeder sites rather than the whole Plan area.

PPG

7.2.28 PPG⁸⁴ provides advice on how and when the required stock of permitted reserves for industrial minerals should be calculated. It states that stocks of reserves should be calculated when a planning application is submitted or when new capital investment is proposed. The overall amount required should be directly linked to the scale of capital investment required to construct and operate the facility.

Need

7.2.29 The demand for cement is reliant on economic activity and especially construction activity which can be highly cyclical. The Government's recent objective of boosting the supply of new homes has seen a corresponding increase in cement production after a long period of decline and this trend is anticipated to continue.

EXISTING QUARRIES

Tunstead Quarry

7.2.30 Within the Plan area there is one cement plant located at Tunstead Quarry; the plant is operated by Tarmac and supplied by the two adjoining quarries

⁸³ National Planning Policy Framework, July 2021

⁸⁴ Planning Practice Guidance Minerals 2014 Paragraph: 088 Reference ID: 27-088-20140306

Tunstead and Old Moor (part of this quarry lies within the Peak District National Park (PDNP) outside the Plan area). The cement plant has a capacity of 1 million tonnes per annum (mtpa); permission has been granted for a second cement kiln which would see capacity increase to 2.15 mtpa. The date when the new kiln is expected to be operational is not known but the operator estimates that it will not be commissioned until the long term i.e. beyond 2038. The permitted reserves of industrial limestone at Tunstead and Old Moor quarry are substantial⁸⁵ and according to the operator, are sufficient to last well beyond the plan period which ends in 2038.

- 7.2.31 In addition to the industrial limestone, secondary materials including shale and marl are required for cement production at Tunstead. Approximately 60,000 tpa of shale is imported from Kingsley Quarry and 120,000 tpa of marl is imported from Keele Quarry; both quarries, are located in Staffordshire. Importation of these raw materials is expected to increase with the commissioning of K2. However, the date for the development of K2 is presently unknown. In planning for minerals, mineral planning authorities are expected to identify and co-operate on strategic cross border matters. The MPA are liaising with Staffordshire County Council in order to ensure that supplies are maintained.

Hope

- 7.2.32 Hope cement works operated by Breedon Cement, lies approximately 10 km from the County boundary, and is located within the Peak District National Park. It has a production capacity of around 1.5 mtpa and is supplied by adjoining quarries i.e. (Hope Limestone Quarry and Hope Shale Quarry) also operated by Breedon Cement.
- 7.2.33 Both quarries have permission for extraction until 2042. However, at anticipated production rates it is likely that additional limestone reserves will be required before this date. It will be for the PDNPA to determine any planning proposals in their area to enable the continued operation of Hope Cement works. The NPPF⁸⁶ however requires that great weight should be given to conserving and enhancing landscape and scenic beauty in National Parks. It adds that planning permission should be refused for major development other than in exceptional circumstances, and where it can be demonstrated that the development is in the public interest. The outcome of any planning proposals

⁸⁵ Permitted Reserve information supplied in confidence for Annual Mineral Surveys 2021

⁸⁶ National Planning Policy Framework, July 2021, Paragraph 177

in the PDNP may impact on cement production from within the Plan area; the MPA is co-operating with the PDNPA to monitor this situation.

SUPPLY

- 7.2.34 In order to meet the need for cement making materials, the Plan will maintain supply in two ways. Firstly, through existing permitted reserves which should be sufficient to maintain production at Tunstead throughout the plan period.
- 7.2.35 Secondly, the Plan proposes to supply any unforeseen needs through a policy which allows for the working of additional reserves subject to meeting certain criteria. The criteria include the need for the particular specification of mineral and the contribution to the stock of permitted reserves to support the high capital and operating costs of cement plant. For cement manufacture the NPPF requires a minimum stock of 15 years of primary (limestone) and secondary (clay/shale) to support investment at an existing plant and 25 years to support investment to develop a new kiln. Proposals will need to demonstrate how the reserves required link to the overall scale of investment proposed to construct/maintain the facility. Where new quarries are proposed they should be located, in principle, as near as possible to where the material will be used to manufacture cement.
- 7.2.36 The policy will apply plan-wide because whilst Carboniferous Limestones and Clay, Shale and Mudstones, are widespread within the Plan area, only limited deposits have sufficient qualities that are suitable for cement making and, therefore, it is difficult to identify 'preferred areas' or 'areas of search' from which future supply should be obtained.



Tunstead Quarry
Page 368

7.3: Brick Clay and Fireclay

INTRODUCTION AND BACKGROUND

7.3.1 Brick clay and fireclays are used in the manufacture of bricks, tiles and other clay products. Within the Plan area the most economically important sources of clay and shales are of Carboniferous age and associated with the Millstone Grit and the Coal Measures. The latter is also a potential source of fireclay used in the manufacture of buff and pale-bodied facing bricks. Fireclay is not normally commercially viable to extract on its own and almost all production is as a co or by-product of surface coal mining. There are no current surface coal mining sites within the Plan area and therefore no fireclay production. Provisions to enable its supply, however, are included in Policy SP15 Supply of Coal and Colliery Spoil Disposal.

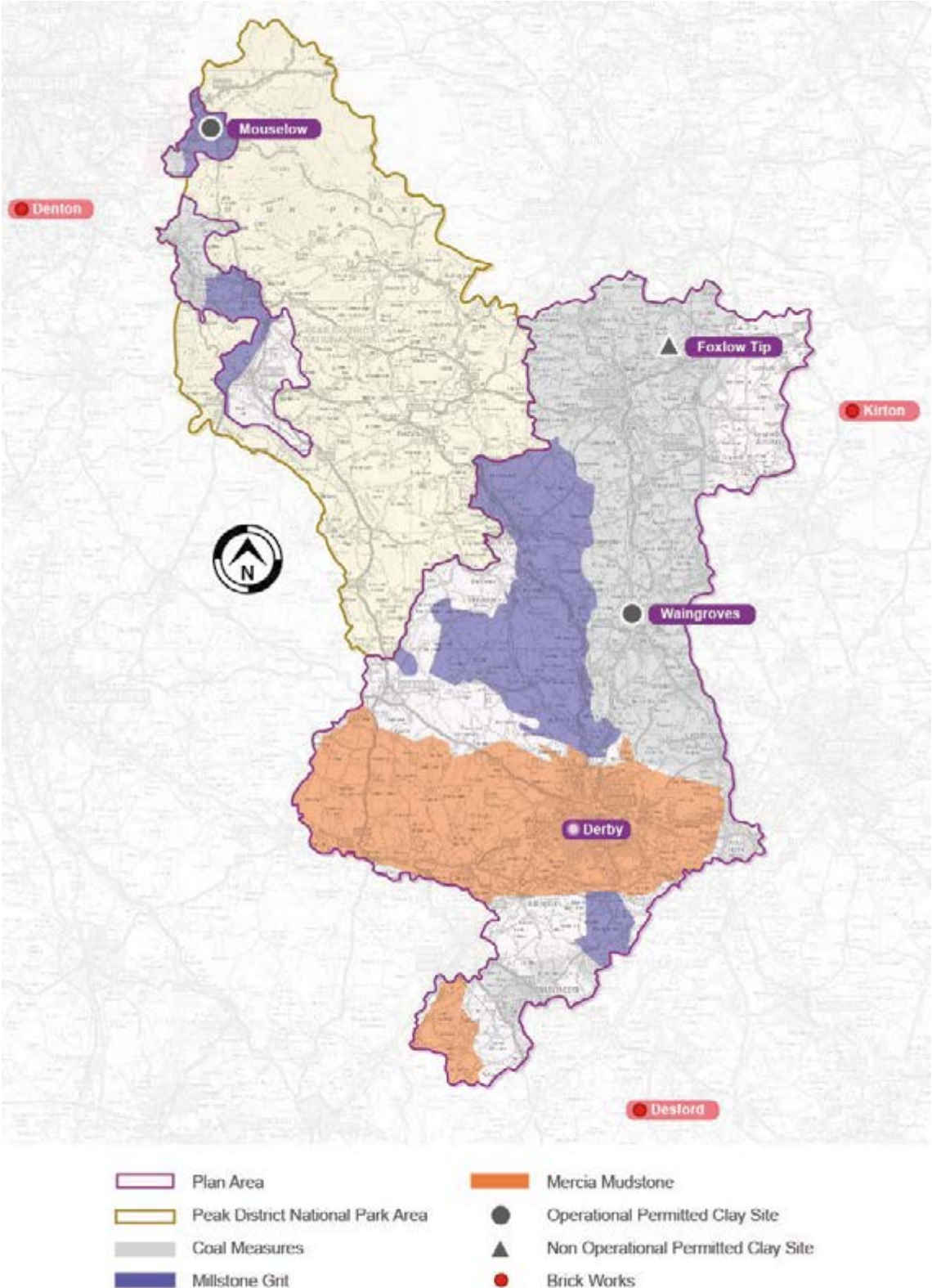
7.3.2 The use of brick clay is particularly susceptible to fluctuations in the construction industry which can lead to the ‘mothballing’ or closure of extraction sites and processing facilities. There are currently no brickworks within the Plan area; all brick clay excavated from the Plan area’s two active sites is exported to works in adjoining Mineral Planning Authority areas:

- Mouselow Quarry, Glossop, operated by Wienerberger, supplies the company’s brick works at Denton, East Manchester and,
- Waingroves Quarry, Ripley, operated by Forterra Building Products Ltd, supplies the Company’s brickworks at Kirton in Nottinghamshire and at Desford in Leicestershire.

A small amount of brick clay, excavated from Foxlow Tip is stockpiled on site following closure of the Plan area’s last brickworks at Barrow Hill, Chesterfield in 2013. Clay resources, quarries and clay products sites are shown on Figure 7.3.1.

7.3.3 Brick clay workings tend to be long term operations and may involve working different parts of the quarry for blending purposes. Clay working takes place on a campaign basis rather than continuous. Before delivery to the manufacturing plant, there will be a need for the excavated clay to be weathered prior to blending. This requires the creation of stockpiles usually at the quarry which can result in delays to the reclamation of a site.

Figure 7.3.1: Clay Resources, Extraction and Manufacturing Sites



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POLICY SP13: SUPPLY OF BRICK CLAY

Proposals for the extraction of brick clay will be supported where additional reserves are required to supply a brick works or clay products manufacturing site and where:

- 1) they are required to contribute towards the maintenance of a minimum 25 year stock of permitted reserves; and/or**
- 2) they are required to enable the appropriate blending of clays; and/or**
- 3) they are required because of their particular chemical or physical composition; and where**
- 4) the need for stockpiling will not significantly delay the reclamation of the site.**

Proposals that accord with the criteria set out in SP13 will be supported provided that:

- 1) they are extensions of time and/or physical extensions to existing brick clay pits/quarries; or**
- 2) they are located as near as possible to the site where the clay will be used.**

Where practicable, proposals that include the location of stockpiles at the excavation site will need to make provision for their progressive restoration, as material is removed, in order to minimise their impact and ensure the timely restoration of the site.

REASONED JUSTIFICATION

NPPF

7.3.4 The NPPF⁸⁷ identifies brick clay and fireclay as important minerals and requires Mineral Planning Authorities (MPAs) to plan for their steady and adequate supply, by co-operating with neighbouring and more distant authorities, to ensure adequate provision is made to support their likely use in industrial and manufacturing processes. Safeguarding or stockpiling should be encouraged to ensure that the minerals remain available for future use. To

⁸⁷ National Planning Policy Framework, July 2021

support the manufacture of brick or clay products a 25 year stock of permitted reserves of brick clay should be maintained, to support the level of actual and proposed investment required to maintain or improve an existing plant or to provide a new kiln.

- 7.3.5 MPAs should also take into account the need for the provision of brick clay from a number of different sources to enable appropriate blends to be made. Coal producers should be encouraged to extract separately and, if necessary stockpile, fireclay so that it remains available for use.

PPG

- 7.3.6 PPG⁸⁸ provides specific advice on how MPAs should plan for industrial minerals. It notes that recognition should be given to any marked differences in geology, physical and chemical properties, markets and supply and demand between different industrial minerals which can have different implications for their extraction. It also stresses the economic importance of industrial minerals for downstream industries; the loss of supply of one mineral may jeopardise the whole manufacturing process.
- 7.3.7 PPG⁸⁹ provides advice on how and when the required stock of permitted reserves for industrial minerals should be calculated. It states that stocks of reserves should be calculated when a planning application is submitted or when new capital investment is proposed. The overall amount required should be directly linked to the scale of capital investment required to construct and operate the facility.
- 7.3.8 PPG⁹⁰ provides advice on the way in which MPAs should plan for mineral extraction. It states that priority should be given to identifying (allocating) specific sites for mineral working followed by preferred areas and areas of search. Site allocations should be restricted to where viable resources are known to exist, landowners are supportive of mineral development and the proposal is likely to be acceptable in planning terms.

Need

- 7.3.9 Brick Clay is a mineral of national and local importance and in accordance with the NPPF, the Plan is required to include policies for its extraction to support its likely use in industry and manufacturing. There are no national assessments

⁸⁸ Planning Practice Guidance Minerals 2014 Paragraph: 086 Reference ID: 27-086-20140306

⁸⁹ Planning Practice Guidance Minerals 2014 Paragraph: 088 Reference ID: 27-088-20140306

⁹⁰ Planning Practice Guidance Minerals 2014 Paragraph: 008 Reference ID: 27-008-20140306

of need for brick clay production. In order to make provision for its likely use in industrial or manufacturing processes the Plan, through Policy SP13, seeks to maintain supply to meet both anticipated and unforeseen need. Such need may take the form of additional reserves required at an existing quarry to maintain supply or a new quarry to support a brick or clay products works. There are no brick works within the Plan area but two operational brick clay quarries supply mineral to sites across the border in neighbouring authorities. Brick clay production is anticipated to increase over the Plan period in response to the Government's initiatives to stimulate the housing market.

EXISTING QUARRIES

Mouselow Quarry

7.3.10 Permitted reserves of shale (of sufficient quality for brick making) at Mouselow are approximately 520,000 tonnes⁹¹. Based on an estimated production rate of 57,000 tonnes per annum (tpa) these are forecast to sustain production to Denton brickworks until around 2030.

Waingroves Quarry

7.3.11 Permitted reserves at Waingroves are approximately 3,650,000 tonnes⁹². Based on an estimated production rate of 60,000 tonnes per annum (tpa) increasing to 111,000 tpa from 2023, to supply the new brickworks at Desford, these are forecast to sustain production to Desford and Kirton brickworks for over 32 years well beyond the end of the Plan period in 2038.

Foxlow Tip

7.3.12 A small amount of brick clay, 250,000 tonnes, is stockpiled on site following the demolition of Phoenix Brickworks at Barrow Hill. A suitable market has been found and it is anticipated that it will be removed off site within the near future.⁹³

SUPPLY

7.3.13 In order to meet the need for brick clay, the Plan will maintain supply in two ways; firstly through existing permitted reserves, which are present at two active quarries; Mouselow and Waingroves, and stockpiled at Foxlow Tip

⁹¹ At 31/12/2021, source memo from Weinerberger 2/11/2022

⁹² At 31/12/2021

⁹³ Source memo from operator 1/11/2022

- 7.3.14 Secondly, whilst clay, shale and mudstones are widespread within the Plan area, only limited deposits have sufficient qualities to make them economically important. The Plan, therefore, proposes to supply any additional or unforeseen need for Brick Clay through a plan-wide policy which allows for new working subject to meeting certain criteria. The criteria include the need to contribute towards maintaining a minimum 25 year stock of reserves to support investment. They include recognition of the need for clays with particular technical specifications and the need to blend different sources of clays. The criteria support the need for additional reserves at existing quarries and where new sites are proposed they are required, in principle, to be located as near as possible to where the clay will be used. The supply of brick clay will be further maintained through safeguarding, as set out at Chapter 9.



Mouselow Quarry, Glossop - Brick Clay and Sandstone

STOCKPILING

7.3.15 There are a range of environmental and social impacts that are likely to be relevant when assessing planning proposals for Brick Clay extraction. Many of these impacts are ones which would be common to most other mineral developments and their impacts will be assessed under the general development management policies set out at Chapter 11. One impact that is particular to brick clay working arises from the need to stockpile clay. The stockpiling of brick clay is a particular feature of clay working which can be visually intrusive and impact on the speed that sites can be restored. Where practicable, proposed schemes for working brick clay will need to include the progressive restoration of areas used for stockpiling in order to minimise their environmental impact.

7.4: Vein Minerals

INTRODUCTION AND BACKGROUND

- 7.4.1 Vein minerals such as fluorspar and barytes are high-value specialist minerals often found in narrow bands within limestone. The majority of resources in Derbyshire are found outside the Plan Area in the PDNP. In the Plan area, deposits lie within the areas of high landscape value bordering the PDNP, mainly in a line along the eastern edge of the Carboniferous Limestone deposit around Matlock, Wirksworth and Brassington.
- 7.4.2 Metallurgical grade fluorspar is used mainly in steel manufacture and Acid grade fluorspar as a raw material in chemical applications to produce aerosols, refrigerants, air conditioning components and in the smelting of aluminium. Growth areas for fluoro-polymers include the production of Teflon, solar panels and Li ion batteries. Barytes, due to its relatively high density, is used in the offshore oil and gas industries as a weighting agent in drilling fluid. It is also used as a high-quality filler and extender in the plastics, rubber and paint industries.
- 7.4.3 Information about the production of vein minerals in the United Kingdom is limited. The most recent figures dating from 2020⁹⁴ estimate that 12,000 tonnes of fluorspar were produced and 50,000 tonnes of Barytes. Historically, significant production of fluorspar began at the start of the 20th Century, where demand came mostly from steelmaking and the demand for fluorine-bearing chemicals. From a relatively buoyant market in the late 1970s early 1980s where production topped 235,000 tonnes in 1975, need has declined progressively, due largely to the decline of indigenous chemical and steel industries.
- 7.4.4 Prior to the mid-1980s the UK was a net exporter of fluorspar but subsequently has become a net importer mainly from China and Mexico. The recent growth in new markets for fluoro-polymers has resulted in the inclusion of fluorspar and barytes on the European Union's (EU) fourth list of critical raw materials for 2020. The main parameters used to determine the criticality of the material for the EU are economic importance and supply risk⁹⁵. Following the departure

⁹⁴ United Kingdom Minerals Year Book 2021

⁹⁵ EU Fourth List of Critical Raw Materials 2020

of the UK from the EU the UK Government has published its Critical Minerals Strategy in 2022⁹⁶ which did not include fluorspar or barytes.

- 7.4.5 The PDNP is now the focal point of the fluorspar production in the UK; there is no existing or likely future interest in exploiting barytes in the PDNP⁹⁷. There are currently, at 2021, only two active vein mineral sites within the PDNP, Milldam Mine (Fluorsid British Fluorspar Ltd (FBFL)) and Smalldale Head Quarry. (High Peak Spar Limited, Furness Brothers and Ernest Hinchliffe Limited). Ancillary vein minerals are also worked in conjunction with Hope Cement Works Limestone Quarry (Breedon Cement) although no commercial deposits of fluorspar have been worked since 2010-2011. There is one current proposal which is to resume underground vein mineral working at Watersaw Mine (FBFL) which, if permitted, would result in 300-600 tonnes of fluorspar being mined each day. Cavendish Mill, Stoney Middleton (operated by FBFL) operates as the main processing site for vein minerals. Vein minerals from Smalldale Head Quarry are processed on site at the quarry.
- 7.4.6 Within the Plan area there is one operational site at Slinter Top (Slinter Mining Company), near Cromford where vein minerals are quarried as secondary minerals alongside limestone aggregates with the resulting void infilled with inert, non-hazardous materials. A planning application has been submitted, in 2017 for a lateral southwest extension to the existing quarry for limestone and vein mineral extraction. The proposal is to extract 1.3 million tonnes of mineral over the period to 2033 with a further 3 years to complete infilling and restoration.⁹⁸
- 7.4.7 The planning statement⁹⁹ in support of the application states that both fluorspar and barytes have been extracted from Slinter Top quarry and sold to the operator of Cavendish Mill processing works near Stoney Middleton in the PDNP. Since 1978, approximately 80,000 tonnes of fluorspar/barytes has been delivered to Cavendish Mill with peaks of supply occurring in the 1980s and 2000s. The likely quantity of vein mineral that may be extracted from the proposed extension is not quantified in the Planning Statement but it states that, the Geological Assessment accompanying the planning application has

⁹⁶ HM Government: Resilience for the future - The United Kingdom's Critical Minerals Strategy 2022

⁹⁷ Information supplied by PDNPA, letter dated 7/9/2021

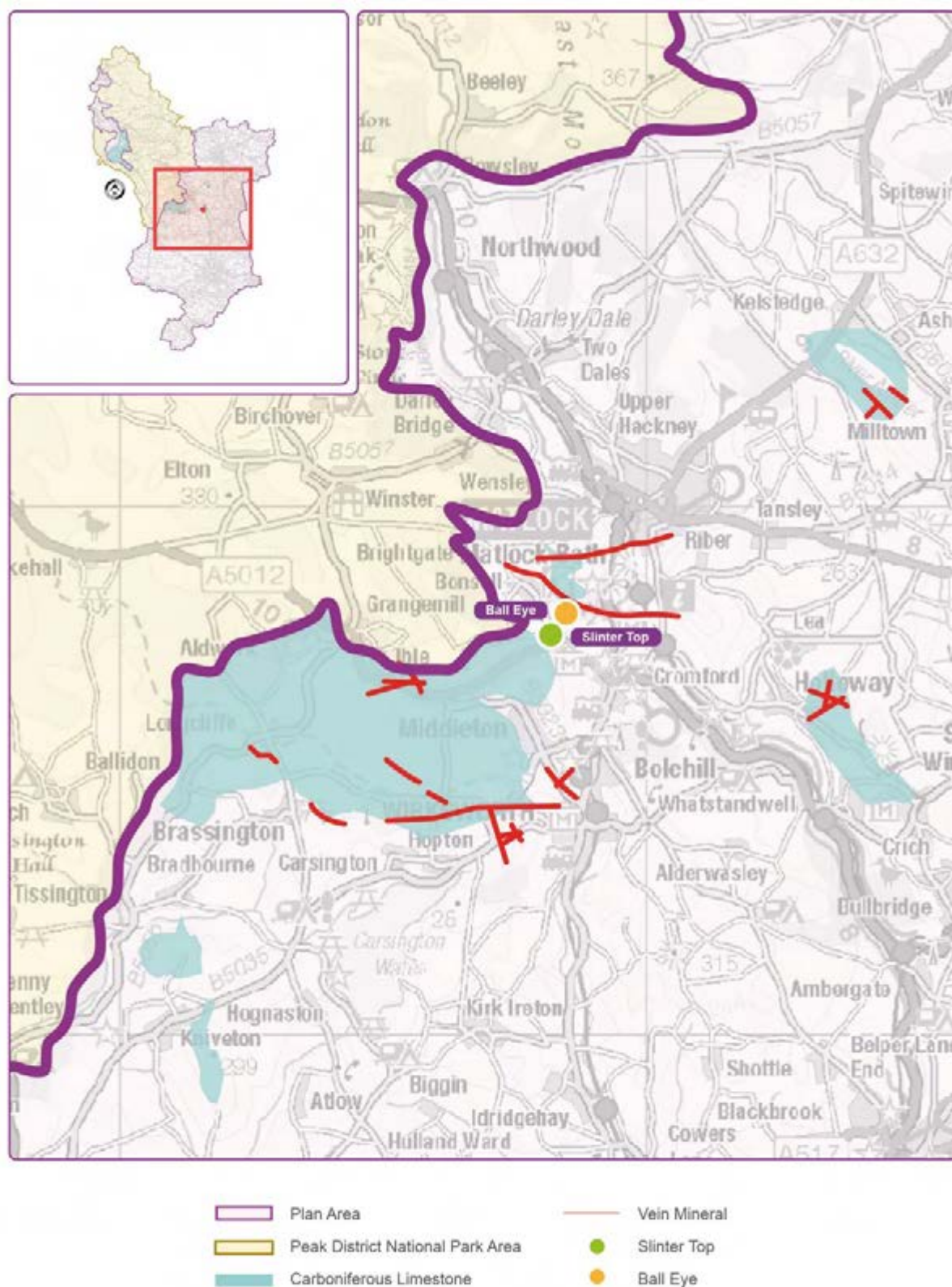
⁹⁸ EIA Addendum in support of planning application CM3/0817/40 May 2020

⁹⁹ Planning statement by Slinter Mining Company in support of planning application CM3/0817/40 July 2017

concluded that it is highly likely that veins will occur within the extension area as experienced in the existing quarry.

- 7.4.8 A non-operational site at Ball Eye Quarry, Bonsall is also present within the Plan area. Some vein mineral working has taken place historically in association with limestone extraction by both surface and underground methods. There has been no extraction since 2014 and the quarry has recently, in 2022, been sold. Figure 7.4.1 shows these sites along with vein mineral resources.
- 7.4.9 Vein minerals can be worked by both surface and underground methods depending on the location of the deposit. Historically, working moved along the rakes extracting shallower veins using a hydraulic machine or dragline. As these have become worked out the remaining ore is now likely to be found at greater depths often inter-mixed with limestone and therefore, within the Plan area, vein minerals are mainly worked alongside aggregate minerals resulting in operations more akin to hard rock quarries with longer timescales and similar impacts. Historically, the small scale working of fluorspar/barytes from old lead-zinc workings and waste dumps, has also taken place.
- 7.4.10 Potential impacts of working vein minerals alongside aggregates in hard rock quarries include the visual impacts of quarry benches, including any impacts on the setting of the PDNP where sites are located close to its boundary. Other impacts include noise and dust generated by machinery and blasting. Once worked, the vein mineral is transported to a processing plant, usually by road, although it may be initially crushed on site. The main central processing plant for vein minerals is located at Cavendish Mill, at Stoney Middleton in the PDNP and therefore a particular issue is the impact of HGV traffic on the National Park, as the plant receives material to be processed, and then distributes it afterwards.

Figure 7.4.1 Vein Mineral Resources and Sites



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POLICY SP14: SUPPLY OF VEIN MINERALS

Proposals for the extraction of vein minerals will be supported where additional reserves are required for use in industrial and manufacturing processes and where the duration and scale of the development is limited to the minimum necessary to extract the vein mineral.

REASONED JUSTIFICATION

NPPF

7.4.11 The NPPF¹⁰⁰, states that when preparing local plans, local planning authorities should identify and include policies for the extraction of mineral resources of local and national importance, including vein minerals. As industrial minerals, the NPPF at paragraph 214 sets out how best to plan for them. It requires MPAs to make provision for their adequate and steady supply taking into account their likely use in industrial and manufacturing processes, through co-operating with neighbouring and more distant authorities. MPAs are required to safeguard or stockpile resources so that minerals remain available for use.

PPG

7.4.12 PPG provides specific advice on how MPAs should plan for industrial minerals. It stresses their economic importance for downstream industries; the loss of supply of one mineral may jeopardise the whole manufacturing process. It states that MPAs should recognise differences in geology, physical and chemical properties, markets and supply, and the demand between different industrial minerals, which can have different implications for their extraction. They should plan for the supply in one of three ways. In order of priority these are; designating specific sites where viable resources are known to exist, where landowners are supportive of minerals development and the proposal is likely to be acceptable in planning terms, designating preferred areas (areas of known resources where planning permission might reasonably be anticipated), or designating areas of search where knowledge of resources may be less certain, but within which planning permission may be granted.

¹⁰⁰ National Planning Policy Framework 21 July 2021

Need

- 7.4.13 There are no national assessments of need for industrial minerals. In order to make provision for their likely use in industrial or manufacturing processes, the Plan has to meet both anticipated and unforeseen demand. This may take the form of additional reserves required at an existing quarry to maintain supply, or a new quarry. The demand for fluorspar for chemical applications in particular, appears to be increasing which could lead to an increase in domestic production.

SUPPLY

- 7.4.14 Given the limited availability of vein minerals throughout the country, it is anticipated that the Plan area could make a contribution towards meeting national demand. It is difficult, however, to plan for the supply of vein minerals because whilst it is known that there are further resources in the Plan area, it is not possible to quantify the overall resource, the volume of potentially economic reserves, or even the volume of vein minerals with outstanding planning permissions, as often the main permission relates to limestone extraction where vein mineral extraction is an ancillary operation, and its volume is not quantified. However, for new proposals it is possible to identify the presence of ore bearing structures within the ground to enable a reasonable estimation of potential reserves within a particular site using geophysical techniques.
- 7.4.15 In order to meet the need for vein minerals therefore, the Plan will maintain supply in two ways. Firstly, through existing permitted reserves, where they are present at one operational quarry, Slinter Top and one non-operational quarry Ball Eye, within the Plan area. There are also ‘dormant’¹⁰¹ extraction sites at Ashover, Brassington, Matlock, and areas where permissions have been revoked, including Cromford and Milltown. Some areas of historical extraction have been worked out, yet are still covered by extant planning consents, with deposits uneconomic to extract. Given the uncertainty surrounding these potential resources, and their future planning status, they are considered to have little importance in the overall picture of supply.
- 7.4.16 Secondly, the Plan proposes to supply any unforeseen needs through a criteria-based policy which allows for the working of additional reserves. Policy, SP14, will apply Plan-wide, with the deposits that have the most potential for

¹⁰¹ As defined by the Environment Act 1995

sourcing vein minerals lying along the eastern edge of the Carboniferous Limestone. Given that the Plan area has a very large landbank of permitted crushed rock reserves it is important that vein mineral extraction is restricted, in terms of its scale and duration, to working the vein mineral resource rather than the crushed rock resource. Proposals will need to satisfy all relevant policies of the Plan including the detailed development management policies set out at Chapter 11.

- 7.4.17 Safeguarding is a further way of maintaining the future supply of vein minerals. The Plan proposes to safeguard the whole of the Carboniferous Limestone resource including the veins to protect resources from sterilisation by non-mineral development. Safeguarding policies are set out at Chapter 9 of the Plan.

Chapter 8: Coal

- 8.0.1 Chapter 8 deals with the supply of energy minerals which for the purposes of the Plan are coal (including former colliery spoil tips) and colliery spoil disposal, conventional oil and gas and unconventional oil and gas. Energy minerals are so called because they provide the fuels that are used to produce energy for electricity generation or as part of other industrial processes such as steel and cement production. Oil and gas are also used as a product in the Petrochemical industry. Chapter 8.1 sets out the policy requirements for coal, whilst chapter 8.2 deals with the requirements for conventional and unconventional oil and gas extraction.

8.1: Coal and Colliery Waste Disposal

INTRODUCTION AND BACKGROUND

8.1.1 Historically, coal has been an important energy mineral in the UK. The abundance of the coal resource in Derbyshire has played a significant role in the way that the Plan area looks and operates, particularly in the east and in the south. Increased use of imported supplies, combined with the move away from coal as a source of energy generation, resulted in the significant decline of the Derbyshire coal industry with all deep mined collieries closed by the mid-1990s. In more recent years, coal production has largely been from surface mining apart from one small drift mine at Eckington which closed in early 2019. The last remaining coal extraction site in the Plan area, at Hartington Tip, is expected to cease extraction during 2023.

COAL IN THE PLAN AREA

8.1.2 Derbyshire contains both shallow and underground coal resources, the extent of which are shown on Figure 8.1 below. The shallow coal resource in Derbyshire is found primarily in two areas, the North Derbyshire Coalfield and the South Derbyshire Coalfield. Shallow coal deposits also occur in the north-west of the County, mainly outside the Peak District National Park boundaries between Charlesworth and Whaley Bridge, but these are not, generally, of commercial quality. The underground coal resource in Derbyshire is located to the east of the main Derbyshire shallow coal measures, below an area of Permian Limestone.

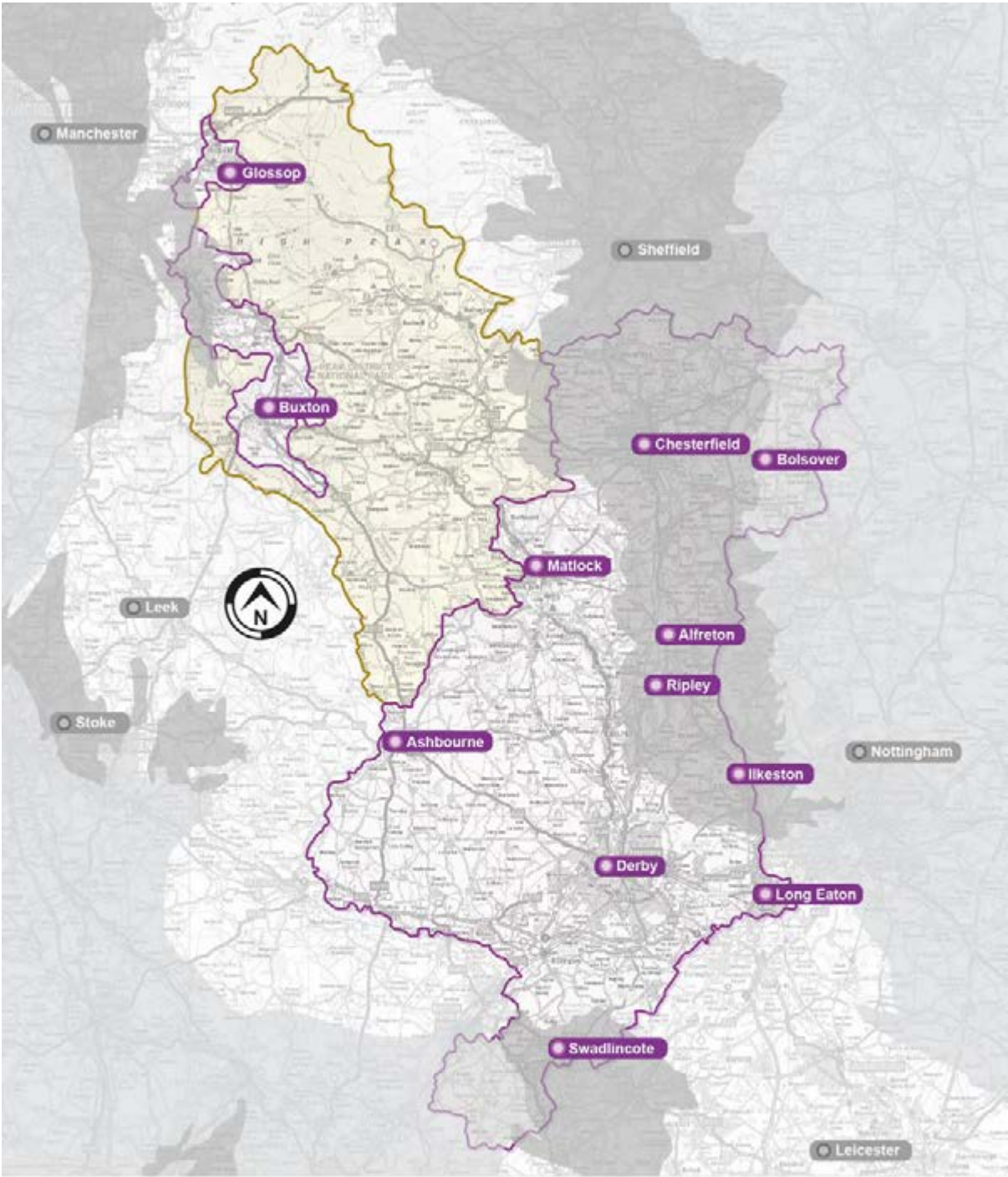
8.1.3 The geological conditions that gave rise to the creation of coal also support the presence of clay. In Derbyshire, brick clay has been extracted from the coal measures of the exposed coalfield covering the North Derbyshire Coalfield. Further detailed information about brick clays can be found in Chapter 7.3: Brick Clay and Fireclay. The southern part of Derbyshire is an important source of fireclays.

8.1.4 Fireclays are sedimentary mudstones that occur as seatearths or fossil soils that underlie almost all coal seams. Fireclays are typically thin (normally <1m, although rarely 3m) and extraction on their own would not be economically viable because of the high overburden to mineral ratios. In contrast to brick clays, which are normally red-firing due to the presence of iron oxides, fireclays have relatively low iron contents and are particularly valued for the production

of buff-coloured bricks and pavers. Bricks made from fireclay also exhibit superior technical properties, such as strength and durability.

- 8.1.5 The underground working of coal can create large volumes of waste or 'spoil', the disposal of which is one of the main potential causes of environmental impacts. Whilst it is unlikely that any new proposals for deep mined coal will come forward during the Plan period, the need to provide sufficient space close to mines to accommodate spoil disposal will be a significant consideration. Underground mining can also cause problems with land stability, particularly in areas where such mining has historically taken place. The treatment and pumping of underground water as well as the potential for gas emissions from active and former mine workings also need to be given consideration.
- 8.1.6 Historically, coal processing was often inefficient with the result that large quantities of coal potentially remained in spoil tips. There are a number of spoil tips remaining in the Plan area, although many have now been reworked and restored or completely removed. Recent examples of removal and/or reworking include the Belp and Whitwell Colliery tips near Whitwell. Some of the materials which were previously placed in the tips as unwanted and unusable waste materials (including mudstone, siltstone and red shale) now have a commercial use, as low-grade aggregate for example, and several tips have been reworked to extract this previously discarded resource. The tips can also include quantities of coal which is now recoverable due to the availability of improved processing equipment, although the viability of such schemes will vary in accordance with the price of coal and quantities available.
- 8.1.7 Demand for coal as an energy source in the UK has reduced significantly in recent years as a result of government policies to address climate change and assist in achieving the UK target of net zero carbon emissions. Future demand for coal in the UK during the Plan period is likely to come from the industrial sector, including steel and cement production, although advances in technology and the increased use of alternative fuels are also likely to result in reduced demand from this sector in the medium to long term.
- 8.1.8 In this context, it is unlikely that coal will be extensively worked again over the Plan period but, as the Plan area still contains substantial resources which could be extracted by either surface mining or deep mining methods, it includes a policy approach for any proposals that do come forward.

Figure 8.1.1: Derbyshire Shallow and Underground Coal Resource



Plan Area
Peak District National Park
Coal Bearing Strata at Surface
Concealed Coal Bearing Strata

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POLICY SP15: COAL EXTRACTION AND COLLIERY SPOIL DISPOSAL

1. **Proposals for the extraction of coal and the associated disposal of colliery spoil will not be supported unless the need for the proposal is for markets other than electricity generation and it can be demonstrated that:**
 - a) **it is environmentally acceptable, or can be made so by planning conditions and/or obligations; and**
 - b) **greenhouse gas emissions are capable of being managed to ensure that the proposal will have a ‘net zero’ impact on climate change for the lifetime of the development (including restoration and aftercare).**

In the assessment of greenhouse gas emissions, the MPA will have regard to the requirements of Policy SP2: Climate Change.

2. **Where development proposals are unable to demonstrate the requirements of 1) above, planning permission will only be granted where proposals can be demonstrated to provide national, local or community benefits of a scale which clearly outweigh the likely impacts (taking all relevant matters into account, including any residual environmental impacts)**

In the assessment of benefits of coal mining development against adverse impacts the mineral planning authority will have regard to the requirements of sub-paragraphs 2 and 3 of Policy DM2: Criteria for Assessing the Benefits of Minerals Development Proposals.

Incidental Extraction of Fireclay

3. **Where appropriate, proposals for coal extraction should also make provision for the extraction and stockpiling of fireclays where it can be demonstrated that site restoration will be undertaken in a timely manner; it would enable the efficient use of the clay resource and the proposal would ensure that the clay resource would not be needlessly sterilised.**

Reworking former colliery spoil tips

4. **Proposals for the reworking of former colliery spoil tips will be supported where it can be demonstrated that the environmental and economic benefits of the development, including measures to address identified tip safety issues or the delivery of significant environmental improvements to the site, outweigh the environmental or amenity impacts of the development.**

REASONED JUSTIFICATION

- 8.1.9 The NPPF contains a general presumption against the extraction of coal, making it clear that the great weight normally given to the benefits of mineral extraction should not be applied to coal¹⁰². It also clarifies that planning permission for development proposals involving coal should only be granted in certain limited circumstances¹⁰³. There are no national targets for coal production, either from underground sources or by surface mining.
- 8.1.10 All proposals for coal extraction and the disposal of colliery spoil will be assessed against the overarching tests set out in Policy SP15: Coal Extraction and Colliery Spoil Disposal which reflects the requirements of the NPPF as well as the government's commitment to phasing out coal for use in energy generation to assist in the achievement of the UK's climate change objectives¹⁰⁴. In acknowledgement of this, and in line with the planned cessation of unabated coal fired power generation, the MPA will not support proposals for coal extraction where the identified need is for electricity generation.
- 8.1.11 Coal is the most carbon intensive fossil fuel producing twice the carbon dioxide (CO₂) per unit of electricity than natural gas when burnt. It is also responsible for the release of other GHG emissions such as Nitrous oxide (N₂O), although in smaller quantities than CO₂. Coal extraction and its subsequent processing also results in the release of methane (CH₄). For this reason, the MPA will require all proposals for coal extraction to demonstrate that they would be Net Zero in respect of climate change over the lifetime of the development from its location, design and construction through to operation, decommissioning and final restoration and aftercare. Policy SP2 sets out a series of measures that

¹⁰² Footnote 71, NPPF, July 2021.

¹⁰³ Paragraph 217, NPPF, July 2021

¹⁰⁴ BEIS, Coal generation in Great Britain: The pathway to a low-carbon future (2016)

should be employed to achieve ‘net zero’ for coal development. Further information on how to assess GHG emissions of a development proposals and how to mitigate or limit their effects can be found in the Institute of Environmental Management & Assessment (IEMA) guidance document ‘Assessing greenhouse Gas Emissions and Assessing their Significance: 2nd edition (2022). Whilst the guidance is primarily aimed at EIA development, the MPA considers that this represents a good practice standard for all developers when assessing GHG emissions.

- 8.1.12 There are some emissions that whilst not directly attributable to the development are indirectly associated with the products and services of the development including those arising from the use of the product. The Climate Change Impact Assessment should include an assessment of whether there is sufficient causal connection between the proposal and any impact on the environment associated with the indirect emissions and, whether this constitutes a significant indirect effect of the proposed development. Where this is the case, the indirect emissions will need to be taken into account under Policy SP2 Criterion (a).
- 8.1.13 National policy¹⁰⁵ states that minerals planning authorities should “*indicate any areas where coal extraction and the disposal of colliery spoil may be acceptable*” and also that they should “*provide for coal producers to extract separately, and if necessary stockpile, fireclay so that it remains available for use*”¹⁰⁶.
- 8.1.14 The MPA recognises that there are substantial remaining reserves of commercially workable surface and underground coal in Derbyshire. However, the lack of an active mining industry in the Plan area, combined with the absence of any promoted ‘sites’ coming forward during plan preparation, has led the MPA to adopt a ‘Plan Area’ wide approach to the surface and underground coal resource. Where a development proposal for coal extraction does come forward during the Plan period, it will be assessed on a ‘case-by-case basis’, in accordance with the relevant policies of the Development Plan. This approach is considered the most flexible and would also avoid the potential for ‘planning blight’ arising from the identification of specific sites or areas for future coal working.

¹⁰⁵ Paragraph 215 (c), NPPF, July 2021.

¹⁰⁶ Paragraph 215(e), NPPF, July 2021

ENVIRONMENTAL IMPACTS OF COAL EXTRACTION

- 8.1.15 PPG states that the environmental impacts of coal extraction should be considered in the same way as for other minerals¹⁰⁷. However, Section 53 of the Coal Industry Act 1994¹⁰⁸ places a duty on MPAs to have regard, not only to ‘...*the desirability of the preservation of natural beauty, of the conservation of flora and fauna and geological or physiographical features of special interest and the protection of sites, buildings, structures and objects of architectural, historic or archaeological interest...*’, but also the extent to which an applicant has given consideration to these matters in the design of those proposals and any measures the applicant has adopted in order to mitigate any adverse environmental effects of the development on the environmental concerns identified above.
- 8.1.16 The effects of coal extraction, colliery spoil and the reclamation of former colliery sites on local amenity will be measured against policy DM1: Protecting Local Amenity, Health, Well-Being and Safety, which sets out the general criteria to be used in respect of all proposals for mineral development. The environmental acceptability of proposals for coal extraction and colliery spoil disposal will be assessed against Policy SP1: Sustainable Minerals Development as well as the other development management policies which are contained within Chapter 11: Other Mineral Related Issues & Development Management Policies.
- 8.1.17 Where it cannot be demonstrated that a proposal for coal extraction would be environmentally acceptable, consideration of any national, sub-regional or local benefits delivered by the development will be undertaken in accordance with the terms of sub-paragraph 2 of Policy DM2: Criteria for Assessing the Benefits of Minerals Development Proposals. The list of benefits set out in the policy is not intended to be exhaustive. Where an applicant considers that a development proposal delivers benefits not included in sub-paragraph 2, but which would be a material consideration in the determination of any planning application, they should submit sufficient information to enable a full assessment of those benefits.

¹⁰⁷ Planning Practice Guidance, Paragraph 174, Reference ID: 27-147-20140306, March 2014

¹⁰⁸ <https://www.legislation.gov.uk/ukpga/1994/21/section/53>

INCIDENTAL EXTRACTION OF FIRECLAYS

8.1.18 The MPA recognises that fireclay largely coincides with the coal resource and that it is usually most economically viable to be extracted with coal at surface coal sites. Policy SP15.3 allows for the extraction of fireclay in association with coal where it would not significantly delay restoration and where the prior extraction of coal meets the tests set out in policy SP15.1.

REWORKING OF FORMER COLLIERY SPOIL TIPS

8.1.19 The reworking of colliery spoil tips can be a sustainable activity as it recovers coal that has been discarded as waste and can provide the means to properly reclaim old tips that may either have been left unrestored or previously subject to poor quality restoration. Poorly restored tips can have a number of safety issues such as instability, pollution resulting from contaminated run-off or spontaneous combustion. Their reclamation can also assist in the reclamation of derelict or heavily contaminated land, or the remediation of legacy issues associated with historic mineral working. However, such operations can also have a significant impact on the environment in terms of visual intrusion, traffic movements, noise and dust. These impacts have to be weighed against the benefits.



Lodge House - pre soil replacement 2011
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8.2 Conventional and Unconventional Hydrocarbons and Gas from Coal

HYDROCARBONS

Introduction and Background

- 8.2.1 Hydrocarbons include minerals such as oil and gas which provide a significant proportion of our energy supplies. They are also used as raw materials for the petro-chemicals industry and in the manufacture of drugs and plastics. In 2021, domestic production met 42% of the country's supply of gas, with the vast majority of this supplied from North Sea offshore production with a smaller proportion from the onshore oil and gas sector¹⁰⁹.
- 8.2.2 The geological conditions where these resources are found has resulted in two categories of hydrocarbons, conventional and unconventional. Conventional oil and gas reserves can be typically exploited by drilling a well, with oil or gas then flowing out under its own pressure. Conventional deposits are contained in porous rocks with interconnected spaces, such as limestone and sandstone. These interconnected spaces give rise to permeability that allows oil or gas to effectively flow through the reservoir to the well. Unconventional oil and gas deposits are contained in impermeable rocks, such as shale or coal deposits. In these cases, the oil or gas cannot easily flow through the reservoir. To extract the oil and gases, techniques such as hydraulic fracturing (commonly referred to as fracking), coal bed methane dewatering or coal gasification are used.
- 8.2.3 Hydraulic fracturing is the process of opening and/or extending existing narrow fractures or creating new ones in gas or oil-bearing rock, which allows gas or oil to flow into wellbores to be captured¹¹⁰. These operations vary, in choice and volume of fluid injected, pressures and rates, depending on specific reservoir attributes. Typically, it involves the pumping of fluid, usually water pumped at high pressure into the rock. The water normally contains small quantities of other substances to improve the efficiency of the operation. Sand is often pumped into the fractures to keep them open and allow the gas to flow out. The fluids pumped into the shale are referred to as proppants (props to

¹⁰⁹ BEIS (2021) Energy Trends Table 4.1

¹¹⁰ PPG Paragraph: 129 Reference ID: 27-129-20140306 Revision date: 06 03 2014

keep it open) and can include small quantities of chemicals. Hydraulic fracturing is not limited to unconventional resources but is more likely to be required to extract oil and gas from those deposits. In calcareous conventional resources, such as limestone, fracturing may take place involving the use of an acidic fluid which dissolves the rock to open up fractures (acidisation fracturing) and stimulate flow. The volume and pressure of fracturing fluid used can vary widely e.g., when used to stimulate the extraction of conventional resources the volume/pressure is typically much smaller than that required to extract unconventional resources such as shale gas. For the purposes of the Plan the PPG definition is adopted which does not differentiate between the volume or pressure of hydraulic fracturing fluid.

- 8.2.4 Coal mine methane (CMM) or abandoned mine methane (AMM) is extracted from active or abandoned underground mines following the natural accumulation of gas in the underground void. The removal of methane from active and former coal mine workings can be beneficial for a variety of reasons. Methane leaking from active or abandoned mine workings can result in serious risk from explosions or other health risks. In such cases it is necessary to vent the gas in a controlled manner. Methane is also an important greenhouse gas which has significant global warming potential. Reducing methane emissions can therefore have significant climate change benefits. The exploitation of coal mine methane is a simple process typically involving the collection and transfer of gas to a surface generating engine which burns the gas to produce electricity, often used to operate the mine if it is active.
- 8.2.5 Coalbed methane (CBM) is extracted from unworked coal seams. It is produced during the process of coal formation; the gas is either adsorbed onto the coal or dispersed into pore spaces around the coal seam. Wells are drilled into the coal seam; the well is then pumped to remove any water to enable the methane to be extracted. The dewatering reduces pressure which releases the methane. Development of coal bed methane usually involves the development of multiple wells in order to access a sufficient volume of resource.
- 8.2.6 Underground Coal Gasification (UCG) is an industrial process involving the controlled combustion of unworked coal seams beneath the ground and the recovery of the resulting gas. It is achieved, by drilling several wells into the coal seam. It requires a minimum of two wells; an access well to inject steam and air or oxygen to trigger and maintain the combustion of the seam and, a production well which recovers the resulting gas-water vapour mixture to the surface for treatment. Gasification produces a mixture of gases including carbon monoxide, carbon dioxide, hydrogen and methane that can be

processed to provide fuel for power generation, vehicle fuels and chemical feedstocks. The surface footprint for underground gasification can be considerable depending on the scale of the project.

- 8.2.7 Shale gas (predominantly methane) is found within organic rich shale beds or other fine-grained rocks with low porosity, rather than in a conventional reservoir of porous or permeable rock. To recover the shale gas wells are drilled down to the shale beds. The drill shafts can consist of a single and direct vertical path to the shale bed. An alternative is horizontal drilling, in which the well trajectory is turned horizontally, sometimes running for thousands of feet along a layer of rock. A single horizontal well can access a much larger volume than a vertical well, reducing the number of wells that need to be drilled. The shale has to be broken or opened to enable the gas to flow out and be captured; this process ‘hydraulic fracturing’ is described at paragraph 8.2.3.

Hydrocarbons in the Plan area

- 8.2.8 Historically oil and gas has been extracted within the Plan area on a small scale, mainly from conventional limestone resources, lying below the exposed coal measures. It was one of the first areas in Britain to be explored for oil in an attempt to shore up the nation’s supplies during the First World War. In the first half of the 20th Century oil and gas was exploited successfully at Hardstoft, Calow and Ironville. Exploratory wells have also been sunk at Ridgeway, Bramley Moor, Renishaw, Whitwell, Shirebrook, Heath, Golden Valley (near Ripley) and Sawley. Recent production has been intermittent and small scale and the resources remaining underground are considered to be of limited extent. The potential for future hydrocarbon extraction is considered to be focused on gas rather than oil.
- 8.2.9 Methane gas is commonly found in coal measures; within the Plan area the main exposed coalfield lies in the eastern half of the County. A smaller area of concealed coal measures lies below the Permian Limestone in the north east of the County (See Figure 8.2.1). In the recent past AMM has been extracted from the now abandoned coal mines at Markham, Whitwell and Shirebrook. However, production is presently minimal and the potential for further extraction is considered to be low.
- 8.2.10 Other means of extracting gas from coal include coalbed methane (CBM) and underground coal gasification (UCG). The prime requirements for CBM prospects are unworked coal seams at depths of between 200 and 1500 metres together with good methane content of the coal. Whilst such factors are present in the Derbyshire coalfield, past coal mining will have affected the

prospectivity of the area as coal extraction has the effect of lowering the pressure of the strata which causes gas to desorb from the coal. Former coal mining activity can also cause drilling problems (loss of circulation) if mud or water is used as a drilling fluid. Widespread degasification is likely to have taken place on the exposed Coal Measures, due to centuries of mining, thus the most prospective part of the area is likely to be the concealed coalfield, or those areas between more recently closed deep mines. However, collieries have existed all along the eastern side of the concealed North Derbyshire coalfield, from Whitwell to Shirebrook, so any unmined areas are likely to be small. Research by the British Geological Survey (BGS)¹¹¹ and a Department of Energy and Climate Change (DECC) paper¹¹² both indicate that the CBM prospects of both the North and South Derbyshire Coalfields are poor due to relatively low seam gas contents and uncertainty over the permeability of the coals. There have been no proposals for extracting hydrocarbons via CBM technology in Derbyshire and there is no known commercial interest at present.

- 8.2.11 Requirements for underground coal gasification includes coal seams that are more than 2 metres thick at depth of between 600 and 1200 metres with more than 500m vertical and horizontal separation from historic mine workings and current coal licences, which would suggest that there is little or no potential in Derbyshire. This was confirmed by BGS research¹¹³ which noted that the South Derbyshire Coalfield (Figure 8.2.2) did not form a UCG resource due to the extensive nature of former underground and the need to stand off from these workings, both vertically and horizontally. Prospects for UCG in the north Derbyshire Coalfield were also considered low due to the shallow nature of the Coal measures and the large number of former mine workings in this area. There have been no proposals for extracting hydrocarbons via UCG technologies in Derbyshire and there is no known commercial interest at present.

¹¹¹ British Geological Survey: UK Coal Resource for New Exploitation Technologies Final report. 2004

¹¹² Department of Energy and Climate Change (DECC) The Unconventional Hydrocarbon Resources of Britain's Onshore basins – Coalbed Methane (CBM) 2013

¹¹³ British Geological Survey: UK Coal Resource for New Exploitation Technologies Final report. 2004

Figure 8.2.1 Location of Coal Bed Methane areas in North Derbyshire Coalfield

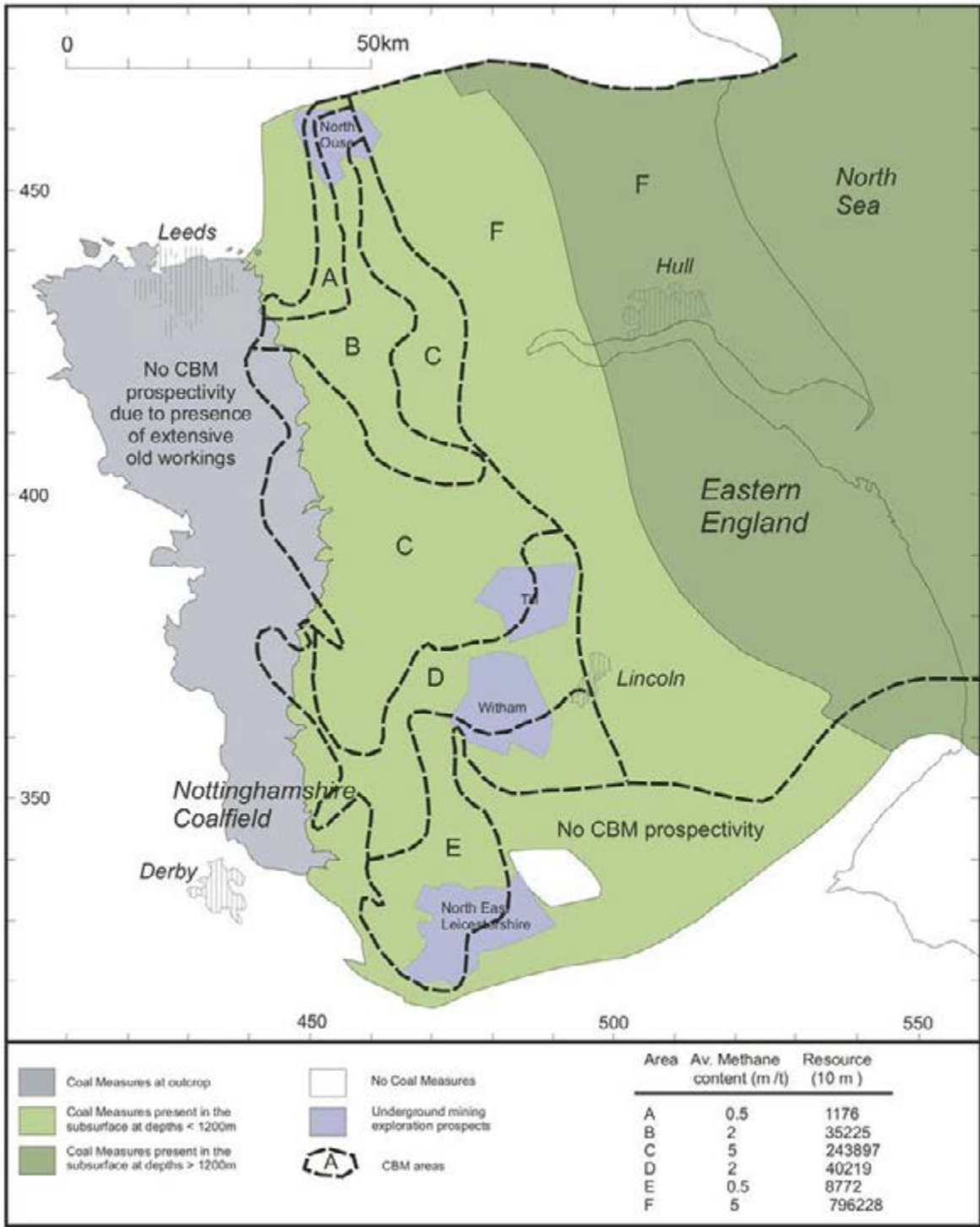


Image credit: Earthwise British Geological Society¹¹⁴

¹¹⁴ https://earthwise.bgs.ac.uk/images/f/f5/YGS_CHR_13_CANN_FIG_06.jpg Previously published in S. Holloway, N. S. Jones, D. P. Creedy, K. Garner 'Can new technologies be used to exploit the coal resources in the Yorkshire–Nottinghamshire coalfield?'

Figure 8.2.2 Summary map showing unconventional hydrocarbon coalbed methane resource potential, including South Derbyshire Coalfield

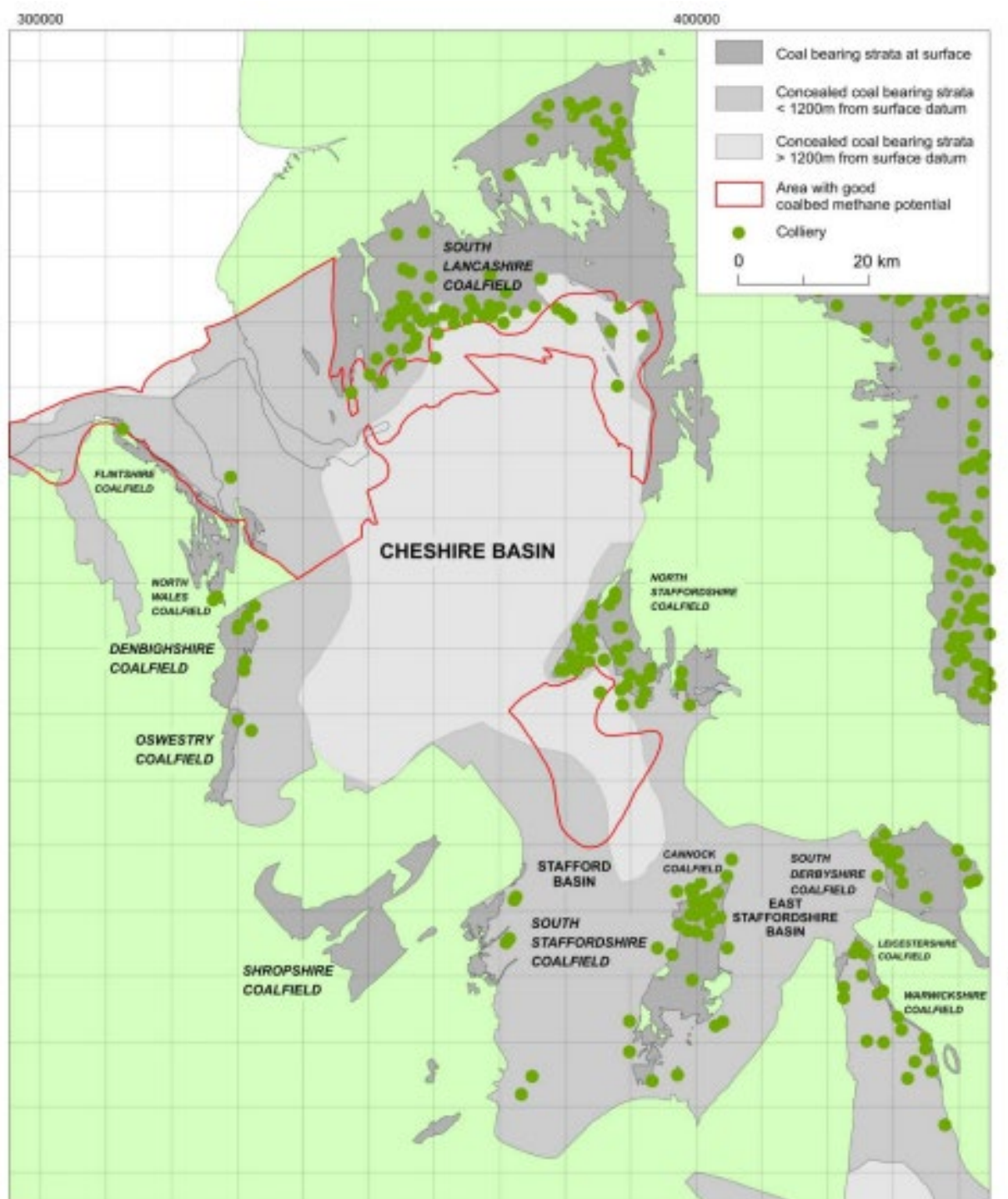


Image credit: DECC, (2013), page 31, 'The Unconventional Hydrocarbon Resources of Britain's Onshore basins – Coalbed methane (CBM)'

Figure 8.2.3 Location of underground coal gasification resources in eastern England including North Derbyshire

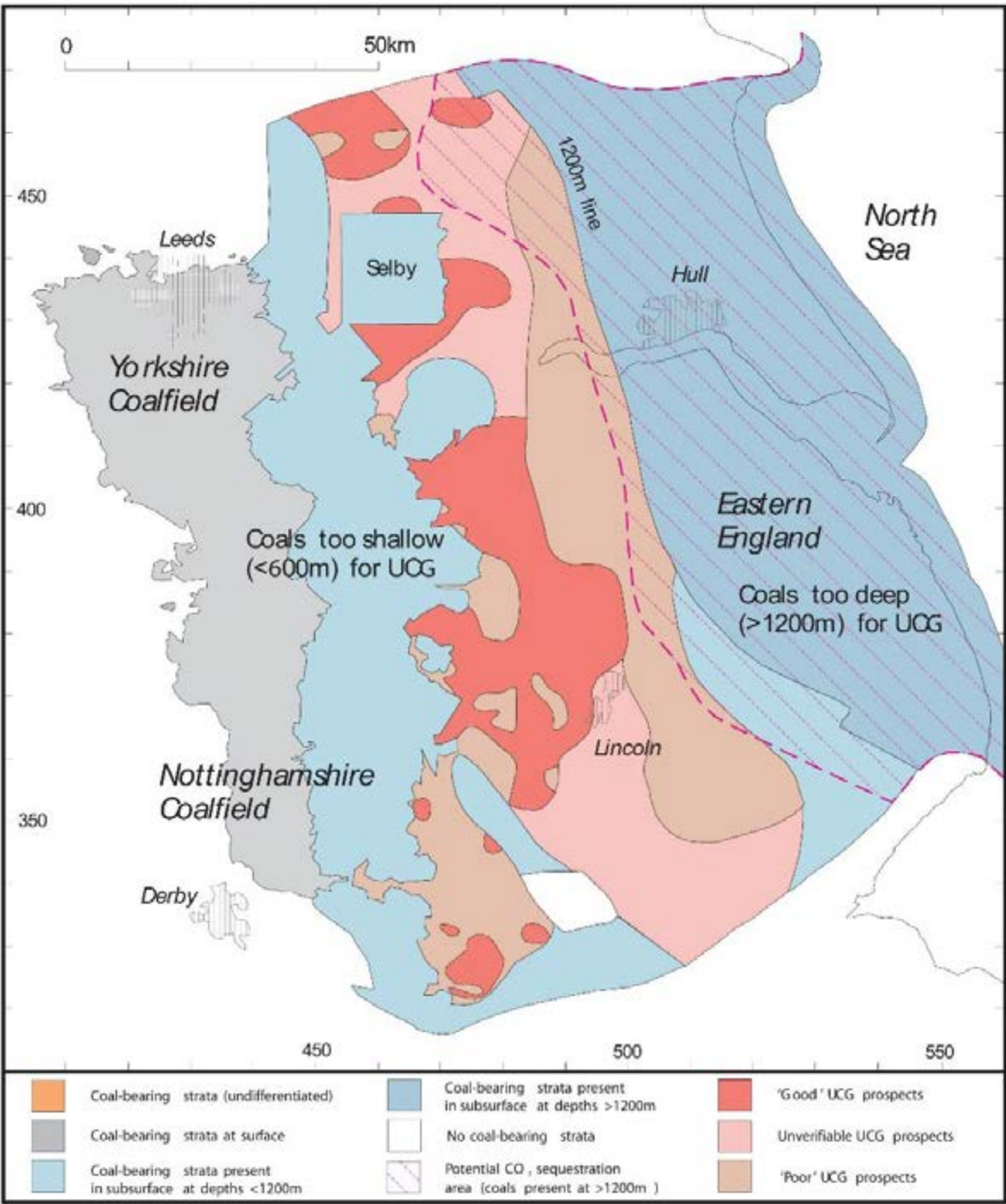


Image credit: Earthwise, British Geological Society¹¹⁵

¹¹⁵ http://earthwise.bgs.ac.uk/images/5/5c/YGS_CHR_13_CANN_FIG_07.jpg previously published in S. Holloway, N. S. Jones, D. P. Creedy, K. Garner 'Can new technologies be used to exploit the coal resources in the Yorkshire–Nottinghamshire coalfield?'

8.2.12 Gas can also be obtained from shale deposits and research by the British Geological Survey¹¹⁶ has identified substantial resources within the Bowland-Hodder shale deposits. This area extends from Lancaster in the north-west, across to Scarborough in the north-east. The broadly rectangular area extends as far south as Derby and Loughborough and therefore covers a large part of the County. Seismic surveys have been undertaken within the north east of the County. To date only one site at Bramley Moor has been granted planning permission on appeal, in 2018, for the exploration of shale gas. This permission expired in August 2021. The location of potential hydrocarbon resources from shale gas is shown on Figure 8.2.4.

Figure 8.2.4: Summary of areas prospective for gas in the upper and lower parts Bowland-Hodder unit in relation to the urban areas of central Britain 2013¹¹⁷



¹¹⁶ British Geological Survey and DECC report: The Carboniferous Bowland Shale Gas Study, Geology and Resource Estimation, 2013.

¹¹⁷ Figure 44, The Carboniferous Bowland Shale gas study: geology and resource estimation, BGS, DECC, 2013

SUMMARY OF THE KEY PHASES OF HYDROCARBON DEVELOPMENT

8.2.13 The three phases of all hydrocarbon extraction operations; exploration, appraisal and production all require planning permission, although some initial preparatory work may have deemed planning consent.¹¹⁸

Exploration

8.2.14 The exploratory phase seeks to acquire geological data to establish whether hydrocarbons are present. The main method of determining whether an area has potential traps for petroleum is seismic exploration. Geological data can also be obtained by exploratory drilling for which planning permission is required. For onshore situations, exploratory drilling is a short-term, but intensive activity. For unconventional hydrocarbons exploratory drilling may take longer if measures are required to stimulate the gas flow, through hydraulic fracturing and in the case of coal bed methane the removal of water from the coal seam.

Appraisal

8.2.15 The appraisal phase takes place following exploration when the existence of oil or gas has been proved, but the operator needs further information about the extent of the deposit or its production characteristics to establish whether it can be economically exploited. This phase typically can last up to two years or longer; it can take several forms, including additional seismic work, longer-term flow tests, or the drilling of further wells. This may involve additional drilling at another site away from the exploration site or additional wells at the original exploration site. For unconventional hydrocarbons it is likely to involve further hydraulic fracturing or dewatering followed by flow testing to establish the size of the resource and its productive life.

Production

8.2.16 The production phase normally involves the drilling of a number of wells at one or more well pads. This may be well pads used at the sites at the exploratory and/or appraisal stages, or from one or more new well pads. Associated

¹¹⁸ The provisions of the Town and Country Planning (General Permitted Development) (England) (Amendment) Order 2016 amends the Town and Country Planning (General Permitted Development) (England) Order 2015 (“the General Permitted Development Order”) to introduce new permitted development rights allowing the drilling of boreholes for the purposes of carrying out groundwater monitoring; carrying out seismic monitoring, or locating and appraising the condition of mines, which is preparatory to potential petroleum exploration.

equipment such as pipelines, processing facilities and temporary storage tanks are also likely to be required. Production can be up to around 20 years. The production stage may involve the re-fracturing of wells and is likely to require the periodic maintenance of wells which may require the use of drilling equipment.

- 8.2.17 Each phase is likely to include several distinct stages, with associated increases in activity and vehicle movements, including site establishment, delivery and removal of plant and equipment specific to that stage, drilling, and site disestablishment and restoration. However, developments requiring well stimulation may not have the same discrete phases; exploration and appraisal may take place as a single process using the same wells.

THE REGULATORY SYSTEM

- 8.2.18 In addition to obtaining planning permission for the exploration, appraisal and production of hydrocarbons requires a number of approvals to be obtained from the appropriate regulatory bodies. Key bodies include:

North Sea Transition Authority (NSTA)

- 8.2.19 The NSTA regulates the licensing of exploration and development of England's onshore oil and gas resources. The NSTA issues well consents, development programme approvals, completion of work programme approvals and production consents. If hydraulic fracturing is proposed the NSTA will require that operators undertake detailed geological studies and submit a hydraulic fracturing plan (HFP) setting out how the operator will control and monitor the fracturing process and address the risk of induced seismicity.
- 8.2.20 The Petroleum Act 1998 vests all rights to the nation's petroleum resources in the Crown, but the NSTA can grant licenses that confer exclusive rights to 'search and bore and get' petroleum. Whilst a licence holder is obliged to maximise recovery from the licence area, the award of a licence does not confer exemption from other legal and regulatory requirements, including the need to obtain planning permission. Current licence areas within the Plan area are included on Figure 8.2.5. A number of PEDL straddle mineral authority boundaries, liaison under Duty to Co-operate enables any cross-boundary impacts to be taken into account and monitored.

Environment Agency (EA)

- 8.2.21 The EA ensures that hydrocarbon operations are conducted in a way that protects people and the environment. The Environment Agency's

environmental permitting regulations cover: protecting water resources (including groundwater aquifers) as well as assessing and approving the use of any chemicals which form part of the hydraulic fracturing fluid; ensuring appropriate treatment and disposal of mining waste produced during borehole drilling and hydraulic fracturing including waste water; ensure suitable treatment and management of any naturally occurring radioactive materials (NORM) and the disposal of waste gases.

Health and Safety Executive (HSE)

8.2.22 The HSE regulates the safety aspects of all phases of extraction, in particular responsibility for ensuring the appropriate design and construction and upkeep of a well casing for any borehole.

Department of Business, Energy and Industrial Strategy (DBEIS)

8.2.23 Where hydraulic fracturing is involved the DBEIS issues a Hydraulic Fracturing Consent as a final check that all requirements have been met to enable the development to commence.

The Coal Authority

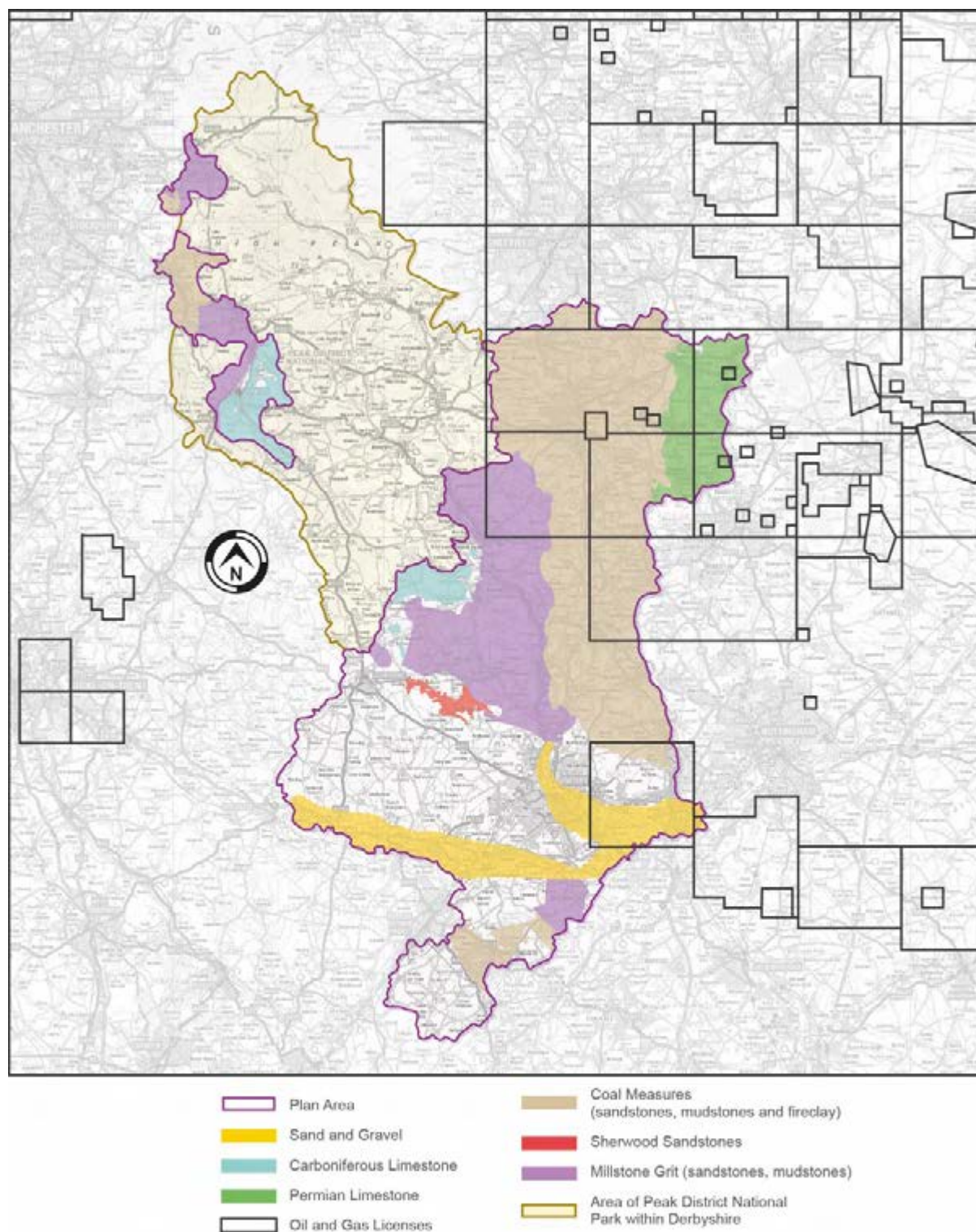
8.2.24 The Coal Authority is responsible for issuing licences for access to coal for CBM extraction and UCG. The Authority is also responsible for issuing licences should drilling go through a coal seam.

8.2.25 Other bodies which may be involved in the consenting of the process include:

- Natural England, who may need to issue European Protected Species Licences in certain circumstances
- the British Geological Survey, who need to be notified by licensees of their intention to undertake drilling and, upon completion of drilling, must also receive drilling records and cores, and
- Hazardous Substances Authorities, who may need to provide hazardous substances consents.

8.2.26 National planning guidance is clear that MPAs should not seek to duplicate the controls of regulatory bodies and should assume that other regulatory regimes will operate effectively. However, before granting planning permission the MPA will need to be satisfied that these issues can or will be adequately addressed by taking advice from the relevant regulatory body.

Figure 8.2.5 Petroleum Exploration and Development Licences 2021



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NATIONAL POLICY

NPPF

8.2.27 Government policy and guidance relating to the extraction of all forms of hydrocarbons has been developed in response to the discovery of new resources, such as shale gas, the emergence of new techniques for working resources such as underground coal gasification and the impact of those technologies. The NPPF¹¹⁹ identifies oil and gas (both conventional and unconventional hydrocarbons) as important minerals and requires MPAs to plan for their steady and adequate supply. The relevant paragraphs relating specifically to the exploration and extraction of hydrocarbons, set out in the NPPF, are as follows. *‘MPAs should:*

- a) when planning for onshore oil and gas development, clearly distinguish between, and plan positively for, the three phases of development (exploration, appraisal and production), whilst ensuring appropriate monitoring and site restoration is provided for;*
- d) encourage the capture and use of methane from coal mines in active and abandoned coalfield areas.’*

8.2.28 The NPPF sets out that great weight should be given to the benefits of minerals extraction, but without causing unacceptable adverse impacts on the natural and historic environment.

National Energy and Climate Change Policy

8.2.29 An important consideration relating to the supply of energy minerals is the Government's Energy Policy which has evolved to put net zero and the efforts to fight climate change at its core. The Climate Change Act in 2008 set the UK's legally binding 2050 target to reduce greenhouse gas emissions by at least 80% relative to 1990 levels. The Target Amendment Order of 2019 increased the percentage to 100% i.e., net zero emissions. In December 2020 the Government published its energy white paper¹²⁰ entitled Powering our Net Zero Future; in terms of the way in which we produce and use energy it promotes a decisive shift away from fossil fuels, as far as it is possible to do so, to using clean energy technologies such as renewables, nuclear and hydrogen. Nevertheless, the paper anticipates that oil and gas will still form

¹¹⁹ National Planning Policy Framework July 2021, Paragraph 215

¹²⁰ DBEIS Energy White Paper Powering our Net Zero Future December 2020

part of the energy mix in 2050 and therefore it is important to plan for their continued supply.

- 8.2.30 In the light of Russia invading Ukraine, the resulting restrictions on gas supply to Europe and consequent surge in global energy prices the Government published its Energy Security Strategy in April 2022¹²¹, setting out targets for renewables, nuclear and low carbon energy sources whilst stressing the importance of ‘home grown’ sources of energy to reduce our reliance on imports. Oil and gas is recognised as essential transition fuel to reaching ‘Net Zero’ and an increase in domestic production is supported.

Shale Gas

- 8.2.31 A Government WMS¹²² published in 2019 stated, *‘The Government has always been clear that it will take a precautionary approach and only support shale gas exploration if it can be done in a safe and sustainable way, and that we will be led by the science on whether this is indeed possible. It remains our policy to minimise disturbance to those living and working nearby, and to prevent the risk of any damage’*. It explains that safety regulations in relation to seismic activity has led to the development of a ‘traffic light system’ which requires hydraulic fracturing to be suspended in the event of specified levels of activity. It adds that following seismic events at Cuadrilla’s Preston New Road site, Lancashire in 2018 and 2019 hydraulic fracturing has been suspended at the site and notes that further research is required to investigate the high levels of induced seismicity.
- 8.2.32 The WMS concludes that *“On the basis of the current scientific evidence, the Government has confirmed that it will take a presumption against issuing any further Hydraulic Fracturing Consents. This position, an effective moratorium, will be maintained until compelling new evidence is provided which addresses the concerns around the prediction and management of induced seismicity. While future applications for Hydraulic Fracturing Consent will be considered on their own merits by the Secretary of State, in accordance with the law, the shale gas industry should take the Government’s position into account when considering new developments.”*

¹²¹ DBEIS and PM Office Policy Paper British Energy Security Strategy 7 April 2022

¹²² DBEIS WMS HCWS68 Energy Policy Update November 2019

- 8.2.33 In September 2022, an energy update was published via a Written Ministerial Statement¹²³ (WMS) in which the Secretary of State for BEIS set out that strengthening our energy security is an absolute priority including ensuring that the UK is a net energy exporter by 2040. To achieve this all avenues of energy production will be explored solar, wind and oil and gas production hence the need to lift the moratorium on hydraulic fracturing for shale gas.
- 8.2.34 In October 2022, a WMS¹²⁴ on Shale Gas Exploration published by the new Government stated that, it is reverting to a precautionary approach and will only support shale gas exploration if it can be done in a way that is sustainable and protects local communities. It will be led by the evidence on whether this form of exploration can be done in a way which acceptably manages the risk to local communities. The WMS makes reference to the BGS report on the scientific advances in hydraulic fracturing since 2019 which concludes that forecasting the occurrence of large earthquakes and their expected magnitude owing to shale gas extraction remains a challenge with significant uncertainty.
- 8.2.35 The Government therefore adopts a presumption against issuing further hydraulic fracturing consents, although it does not propose any changes to the planning system. This position, an effective moratorium will be maintained until compelling new evidence is provided which addresses the concerns around the prediction and management of induced seismicity. While future applications for hydraulic fracturing consent will be considered on their own merits by the Secretary of State, in accordance with the law, shale gas developers should take the Government's position into account when considering new developments.

Underground Coal Gasification

- 8.2.36 In 2015, BEIS commissioned a report¹²⁵ to provide it with evidence on the global warming potential that the production and use of syngas from UCG would have, based on the likely end uses of the syngas in comparison to conventional processes and sources of power generation, for heating and chemical feedstocks. Amongst other things, the report found that in terms of power generation, UCG syngas would result in significantly greater GHG emissions than the natural gas fed equivalent in a combined feed power station.

¹²³ DBEIS WMS HCWS 294 Energy Update, Energy Prices Support Package September 2022

¹²⁴ BEIS WMS HCWS346 Shale Gas Exploration 27 October 2022

¹²⁵ Atkins on behalf of DECC: Underground Coal Gasification – Evidence Statement of Global Warming Potential (2015)

The use of CCS was not found to significantly reduce the level of GHG emissions.

- 8.2.37 In response to a written parliamentary question, in 2016 the then Secretary of State for Environment, Food and Rural Affairs provided a written parliamentary answer (WPA)¹²⁶ which stated: *‘The Government has made a firm commitment to reducing the UK’s carbon emissions, and our recent ratification of the historic Paris Agreement shows we are serious about global action on climate change. The Department for Business, Energy & Industrial Strategy (BEIS) commissioned a report from Atkins into the greenhouse gas implications of underground coal gasification to inform Government policy about its development in the UK. The report was peer reviewed by academics and industry. It finds that emissions from underground coal gasification would be too high to be consistent with our commitment to a low-carbon future. The Government is therefore minded not to support the development of this technology in the UK’.*

Planning Practice Guidance

- 8.2.38 PPG advises that energy supplies should come from a variety of sources, including onshore oil and gas. It¹²⁷ states that, as an emerging form of energy supply, there is a pressing need to establish through exploratory drilling, whether or not there are sufficient recoverable quantities of unconventional resources such as shale gas and coal bed methane present to facilitate economically viable full-scale production. In terms of the guidance the PPG¹²⁸ encourages mineral planning authorities to make appropriate provision for hydrocarbons in local mineral plans, based on emerging information, to allow them to highlight areas where proposals for extraction may come forward, as well as managing potentially conflicting objectives for the use of land.
- 8.2.39 Where MPAs lie within a Petroleum Licence area, they are expected to include Petroleum Licence Areas on their policies maps and include criteria-based policies for each phase; that is exploration, appraisal and production, setting clear guidance for the location and assessment of hydrocarbon extraction within those areas. PPG¹²⁹ states that, *‘above ground separation distances are acceptable in specific circumstances where it is clear that, based on site*

¹²⁶UK parliament written questions, answers and statements Coal Gasification question for DEFRA UIN 56962 tabled on 12 December 2016

¹²⁷ PPG Minerals Paragraph: 091 Reference ID: 27-091-20140306 Revision date 06 03 2014

¹²⁸ PPG Minerals Paragraph:105 Reference ID: 27-105-20140306 Revision date 06 03 2014

¹²⁹ PPG Minerals 2014 Paragraph: 126 Reference ID: 27-126-20140306 Revision date 06 03 2014

specific assessments and other forms of mitigation measures (such as working scheme design and landscaping) a certain distance is required between the boundary of the minerals site and the adjacent development.’

- 8.2.40 MPAs may identify specific sites for hydrocarbon extraction through the site allocation process should the oil and gas industry wish to promote specific sites. In contrast to the practice established for other minerals resources, the guidance does not advocate the creation of formal safeguarding areas for hydrocarbons due to the depth of those reserves, the ability to use drilling equipment and the small surface area required for the installations.
- 8.2.41 With regard to the determination of development proposals, MPAs are advised to assess applications for each phase on their respective merits and applications for the exploratory stage of development should not involve the consideration of the potential impacts of extraction. MPAs should take account of Government energy policy, which indicates a preference for energy supplies to be obtained from a variety of sources, including onshore oil and gas. MPAs should use appropriate conditions, having regard to the issues for which they are responsible, to mitigate against any adverse environmental impact.

Policy Approach

- 8.2.42 Modern society and the benefits it enjoys are highly dependent on the continued supply of energy, and whilst the Government seeks to transform energy supply to be derived principally from non-fossil fuel clean technologies, the continued supply of oil and gas will still be required during this transition. Given the recent volatility of the price of energy and the uncertainty about continued availability, especially imported energy supplies, the need to be more self-sufficient is an important requirement and this is reflected in national energy and mineral planning policy. The Government has given its support, in principle, to the onshore oil and gas industry, including the further exploitation of conventional sources and the promotion of oil and gas from unconventional sources. In 2016 the Government stated that it was not minded to support the development of UCG technology and in 2022 it imposed a moratorium on issuing Hydraulic Fracturing Consents. However, no changes been made to national planning policy to reflect these statements.
- 8.2.43 There are no national assessments of need for hydrocarbons, Government guidance is that the volume and mix of energy mineral extraction is a matter for the relevant industries and markets to determine. It is known that limestone and sandstone are sources of conventional oil and gas present in the Plan area. Coal deposits are known to contain unconventional oil and gas resources

and studies have demonstrated that shale bearing gas is present in parts of the Plan area. The scale of all resources available in the Plan area and the commercial viability of those resources are very uncertain and appear to be limited in some cases. However, it is possible that the oil and gas industry will seek to examine and extract these resources, if commercial viability is proven, and the Plan therefore needs to include policies to consider such development proposals should they come forward. In view of the lack of knowledge about the location and scale of economically viable oil and gas resources the Plan adopts a plan wide policy approach which allows for their exploitation subject to meeting a detailed set of criteria.

POLICY SP16: SUPPLY OF CONVENTIONAL AND UNCONVENTIONAL OIL AND GAS

Proposals for the exploration and/or appraisal of onshore conventional and unconventional oil and gas will be supported where they:

- 1) provide details of the extent of the target oil and gas reservoir within the PEDL area including details of the area of search within the target reservoir (informed by the exploration stage results where the proposal is for appraisal);**
- 2) ensure that well sites and associated infrastructure are sited in the least sensitive location from which the target reservoir can be accessed having regard to geological, technical and environmental considerations;**
- 3) demonstrate that there will be no unacceptable adverse impact on the integrity of the underlying geological structure; including disturbance to features such as shafts and seams associated with former coal mining or other mining activity and that measures are included to avoid induced seismicity that may cause the instability of land;**
- 4) include satisfactory arrangements to avoid seepage pollution, to manage and dispose of drilling mud, other drilling residues and waste water including Naturally Occurring Radioactive Material (NORM) and to use or dispose of unwanted gas;**
- 5) ensure that operations are for an agreed, temporary length of time;**

- 6) ensure that well sites and associated infrastructure are restored at the earliest practicable opportunity whether or not oil or gas is found.

Proposals for the production of onshore conventional and unconventional oil and gas will be supported where:

- 7) They satisfy criteria 2 - 6 above; and
- 8) Results from any earlier exploration/appraisal of the target oil and gas reservoir within the PEDL area are provided including an indication of how the proposal is intended to fit within an overall framework for the development of the reservoir;
- 9) The number of well sites and associated infrastructure required for hydrocarbon production sit within the development framework, are justified in terms of their number and extent and are progressively installed, wherever possible;
- 10) The development includes the use of non-road modes of transport such as pipelines or rail for the transport of the oil or gas unless it can be demonstrated that this is not practicable or environmentally preferable;

Where proposals include a novel approach or new techniques for oil and gas extraction,

- 11) the MPA may require the provision of a financial restoration bond appropriate to the scale, nature and location of the development in order to ensure that the site is restored and left in a condition suitable for an appropriate after-use.

Where proposals for the exploration, appraisal or production of oil and gas resources involve hydraulic fracturing they will need to include:

- 12) proposed separation distances referred to in Policy DM1. Where the distance proposed from a well site and associated infrastructure to sensitive receptors is 500 metres or less, proposals will not be supported unless, following a robust assessment of the adequacy of the proposed separation distances and taking account of any proposed mitigation measures, it can be demonstrated that there would be no unacceptable impacts on the local amenity, health, well-being and safety of the sensitive receptors.

Proposals for the exploration, appraisal or production of unconventional oil and gas resources involving underground coal gasification will not be supported.

REASONED JUSTIFICATION

- 8.2.44 The NPPF identifies hydrocarbons as minerals of national and local importance and requires the Plan to clearly distinguish between, and plan positively for, the three phases of development (exploration, appraisal and production), whilst ensuring appropriate monitoring and site restoration is provided for. Policy SP16 sets out the criteria against which all proposals for hydrocarbon development will be assessed and identifies those applicable to particular stages of development. It contains a specific criterion to protect local communities from hydraulic fracturing.
- 8.2.45 It is important that individual planning applications are considered on their own merits and do not take account of any potential future phases for which permission has not yet been sought. Where planning permission is granted for exploration or appraisal it does not carry with it any presumption that production from those wells will be permitted. Additionally, following initial testing not all exploration will necessarily lead to appraisal, and not all appraisal will lead to production.
- 8.2.45 There are a range of environmental, local amenity and health impacts that are likely to be relevant when assessing planning proposals for hydrocarbon development including landscape and visual impacts, impacts from noise, vibration, traffic, lighting, emissions/air quality, land stability and impacts on the natural and historic environment. Many of these impacts are ones which would be common to most other mineral developments and therefore their impacts will be assessed under the relevant Strategic Policies and Development Management Policies of the Plan. The hydrocarbon policy SP16 covers only those matters that specifically relate to the extraction of hydrocarbons.
- 8.2.47 Unlike quarrying the nature of extracting hydrocarbons, and particularly the directional drilling techniques available to operators, offers a degree of flexibility in terms of the location of surface development relative to the location of the mineral resource. This flexibility provides some opportunity to ensure from the outset that well sites are located in the least sensitive location. It will be for the operator to demonstrate that the chosen site location is the least sensitive location to access the mineral through the submission of appropriate evidence.

- 8.2.48 In order to assess the ‘least sensitive’ location it is important at all of the three phases of development that an appropriate level of information is provided about the area of search and the development of the wider oil and gas reservoir within the PEDL area. At the production stage particularly, it is important to establish such information in order to ensure that a strategic approach is taken to the development of the reservoir, which includes directing development, as far as practicable, towards the least sensitive locations.
- 8.2.49 Impacts are likely to increase if commercial quantities are found and a site moves into production. This may involve the construction of more well pads and/or the drilling of more wells on an existing pad or the re-fracturing of existing wells. Associated equipment such as pipelines, processing facilities and temporary storage tanks are also likely to be required. It is important, therefore, that consideration is given to how any proposal fits into a framework for the development of the wider oil and gas reservoir within a PEDL area to ensure that it is developed in an environmentally acceptable way. The framework should include justification for the number, location and time frame for the well sites. Associated processing, dispatch and transport facilities should be sited, designed and operated to minimise environmental and local amenity impacts.
- 8.2.50 Hydrocarbon development can generate waste material which includes drill cuttings i.e. waste rock from the drilling process, waste liquids from the discarded fluids used to help the drilling process, known as drilling muds, and the waste water that returns to the surface after hydraulic fracturing, known as flowback fluid which can include NORM and other contaminants. Waste water will normally be treated off site. Waste gas should be captured and used wherever practicable or disposed of safely. Unplanned releases of gases through leakage should be monitored and strictly controlled. Proposals will need to include satisfactory measures to ensure the control and management of any waste materials arising from the development.
- 8.2.51 Hydrocarbon development can be of relatively short duration (i.e. several weeks or months) for exploration and appraisal or, in the case of production can last up to 20 years. It is important that the timescale of the development is controlled and whatever the duration of the development, but particularly if oil and gas is not found sites will need to be restored at the earliest opportunity to an appropriate after use. Proposals will need to include information about the decommissioning of any wells to prevent the risk of contamination of ground or surface waters or any emissions to air; and how the site will be restored to

an appropriate after use when operations cease, in accordance with Policy DM15.

- 8.2.52 The installation of drilling rigs and associated equipment can generate a significant number of heavy vehicle movements including some involving abnormal loads. It is important therefore to ensure that well sites are located where there is good access to suitable road networks as required by Policy DM3. The use of non-road transport such as pipelines or rail to transport produced gas and large volumes of water required for hydraulic fracturing can reduce road transport movements and proposals should address the feasibility and environmental preferability of using these transport modes.
- 8.2.53 Potential areas for hydrocarbon extraction lie in the eastern part of the County in the former coalfield areas which have been extensively mined for coal. In drilling for oil and gas and particularly if hydraulic fracturing is to take place it is important to establish geological faulting in an area and/or the location of past coal seams or other mining activity to protect the integrity of the geological structure and reduce the likelihood of any induced seismicity resulting in land instability.
- 8.2.54 Hydraulic fracturing, CBM and UCG are relatively new and untried techniques for exploiting hydrocarbons. PPG encourages the use of financial guarantees to cover restoration and aftercare costs only in exceptional circumstances, such circumstances include where a novel approach or technique is to be used which the MPA consider could include hydraulic fracturing, CBM and UCG. However, if an operator contributes to a mutual funding scheme then it should not be necessary for guarantees to be sought. The policy allows for each case to be considered individually depending on the scale, nature and location of the proposal.

HYDRAULIC FRACTURING

- 8.2.55 There are specific impacts raised where hydraulic fracturing is proposed to extract hydrocarbons that the MPA consider should be addressed through the implementation of adequate separation distances. Hydraulic fracturing associated with the exploitation of hydrocarbons is likely to lead to significantly greater impacts on local communities than the exploitation of hydrocarbons where no hydraulic fracturing takes place.

- 8.2.56 The depth of unconventional hydrocarbons, particularly shale gas, and the resultant need for hydraulic fracturing to extract it means that much longer time periods are required thus extending the duration of environmental impacts, for example, night-time light and noise intrusion. Visual impacts are greater due to the need for higher drilling rigs and larger well pads. The quantity (greater numbers of equipment) and their nature (varying types of structures) of associated plant and equipment required to facilitate hydraulic fracturing is greater. Greater traffic movements are associated with hydraulic fracturing from delivery of water and removal of wastewater and NORM, and operations associated with hydraulic fracturing.
- 8.2.57 Hydraulic fracturing associated with the exploitation of hydrocarbons is a relatively new and untried process which has generated significant local concern which impacts on the well-being, health and safety of local communities. One area of concern is the threat of fugitive emissions and Naturally Occurring Radioactive Materials (NORM) on health. Much of the PEDL license areas (and where there has been a permission for shale gas exploration to date) lie within former coal mining areas where the health and well-being of the population is below the county average¹³⁰.
- 8.2.58 A further concern is induced seismicity and land instability. The coalfield areas have been extensively mined and therefore the location of past coal seams or other mining activity may have impacted on the integrity of the geological structure and increased the risk of induced seismicity and land instability. The moratorium on issuing Hydraulic Fracturing Consents has been reinstated and the Government has vowed to maintain it until compelling new evidence is provided which addresses the concerns around the prediction and management of induced seismicity.
- 8.2.59 The MPA consider that in the light of the identified impacts a precautionary approach should be taken towards proposals for the exploitation of hydrocarbons using hydraulic fracturing. The potential for adverse impacts will tend to increase the greater the proximity to 'sensitive receptors' and particularly where well sites and associated infrastructure are located 500 metres or less away. The adequacy of proposed separation distances will need to be demonstrated by a robust assessment taking account of adverse impacts on local amenity, health, well-being and safety and the effectiveness of any proposed mitigation measures. The assessment should take into account the location and topography of the site, the nature and duration of the activities

¹³⁰ Derbyshire County Council Observatory District Area Profiles Health and Well Being Indicators

proposed, the need to avoid undue sterilisation of mineral resources, the scale and nature of environmental effects likely to arise and the various mitigation measures that can be applied.

- 8.2.60 A 500m distance from the well site and associated infrastructure (excluding site access) is considered to represent a reasonable distance of sensitivity taking into account the potential for the range of individual and cumulative impacts that may arise from hydraulic fracturing on local amenity, health, well-being and safety including noise and light pollution, visual intrusion, fugitive emissions and induced seismicity leading to land instability. For the purpose of applying this policy, the 500-metre distance will apply beyond the red line boundary of a planning application which incorporates the surface development of the well site and associated infrastructure but excluding site access. The term 'sensitive receptor' can vary depending on whether the impact is visual, noise or dust related but typically include dwellings, retirement/care homes, children/young adult homes, hospitals/hospices, schools/day nurseries, and tourist accommodation.
- 8.2.61 The Plan acknowledges at 8.2.3 that the exploitation of conventional hydrocarbons can also involve hydraulic fracturing particularly to stimulate the flow of gas. In such cases the typically lesser volumes and pressure of fracturing fluid required may result in a more limited scale of impacts than those associated with the hydraulic fracturing of unconventional hydrocarbons. Nevertheless, the character of those impacts (for example in terms of increased levels of noise, traffic and requirements for plant and equipment) are likely to be similar. The MPA therefore consider that it is inappropriate to differentiate the policy approach where hydraulic fracturing is used to exploit conventional or unconventional hydrocarbons because the planning issues would be the same. The overall scale of any impacts will be considered on a site by site basis.

PROTECTED AREAS

- 8.2.62 For the purposes of protecting important environmental assets from shale gas exploitation, restrictions have been established in national legislation and implemented through the PEDL and hydraulic fracturing consent regimes for

associated¹³¹ and relevant¹³² hydraulic fracturing. These definitions refer to hydraulic fracturing which involves the injection of—more than 1,000 cubic metres of fluid at any stage, or expected stage, of the hydraulic fracturing, or more than 10,000 cubic metres of fluid in total.

- 8.2.63 Regulations¹³³ ensure, via the hydraulic fracturing consent regime that ‘associated hydraulic fracturing’ cannot take place within 1,200 metres beneath the surface of ‘protected groundwater source areas’ and other ‘protected areas’. Protected areas include National Parks, AONBs, the Broads and World Heritage Sites. Regulations¹³⁴ amend model clauses on new PEDLS to prohibit ‘relevant hydraulic fracturing’ operations from taking place from new or existing wells drilled at the surface in the protected groundwater and protected areas as set out above. The surface restrictions also apply to Sites of Special Scientific Interest, Ramsar sites and European sites (as defined by regulation 8(1) of the Conservation of Habitats and Species Regulations 2010, including Natura 2000 sites protected under the Habitats Directive and sites protected under the Wild Birds Directive. For existing PEDLS the Department of Energy and Climate Change (DECC) issued a policy statement¹³⁵ which states that save in wholly exceptional circumstances Hydraulic Fracturing Consent will not be granted in protected areas.
- 8.2.64 These designated areas benefit from strong national planning policy protection in their own right and, some cases, protective European and other legislation, not just from hydraulic fracturing but from hydrocarbon and other mineral development. They will be protected from the adverse impacts of hydrocarbon development, specifically through the application of Policy SP16 and the Development Management Policies set out at Chapter 11, including any impacts on their wider settings or zones of influence/risk.

¹³¹ As defined in the Infrastructure Act 2015 (1) “Associated hydraulic fracturing” means hydraulic fracturing of shale or strata encased in shale which—(a) is carried out in connection with the use of the relevant well to search or bore for or get petroleum, and (b) involves, or is expected to involve, the injection of—(i) more than 1,000 cubic metres of fluid at each stage, or expected stage, of the hydraulic fracturing, or (ii) more than 10,000 cubic metres of fluid in total.

¹³² As defined in the Petroleum Licensing (Exploration and Production) (Landward Areas) (Amendment) (England and Wales) Regulations 2016 “Relevant Hydraulic Fracturing” means hydraulic fracturing of shale or strata encased in shale which is carried out in connection with the use of a Well to search or bore for or get petroleum, and involves, or is expected to involve, the injection of—more than 1,000 cubic metres of fluid at any stage, or expected stage, of the hydraulic fracturing, or more than 10,000 cubic metres of fluid in total.”

¹³³ The Onshore Hydraulic Fracturing (Protected Areas) Regulations 2016

¹³⁴ The Petroleum Licensing (Exploration and Production) (Landward Areas) (Amendment) (England and Wales) Regulations 2016

¹³⁵ Surface Development Restrictions for Hydraulic Fracturing Appendix A, DECC June 2016

CUMULATIVE IMPACTS

8.2.77 The majority of the areas that have potential for the presence of hydrocarbon resources lie on the exposed and concealed coalfield areas of Derbyshire. Within these areas widespread opencast and deep coal mining has taken place in the past and whilst all the mines and opencast sites have now closed, much of the legacy remains despite the progression of comprehensive remediation, restoration and redevelopment. The commercial production of hydrocarbons, particularly unconventional hydrocarbons may lead to the intensive development of the resource area over time as more well pads are developed, more wells are drilled, existing wells re-fractured and other supporting infrastructure built. Such development may lead to cumulative impacts on the environment and local amenity; these impacts will be assessed under the Development Management Policy DM14.

UNDERGROUND COAL GASIFICATION

8.2.78 In view of the findings of the report¹³⁶ which concluded that underground coal gasification was incompatible with the Government's commitment to a low carbon future and the withdrawal of its support for this method of extraction, the plan adopts the approach of not supporting proposals for the exploitation of unconventional oil and gas resources involving underground coal gasification.

¹³⁶ Atkins for DBEIS Underground Coal Gasification - evidence statement on global warming potential, November 2015

CHAPTER 9: Safeguarding

- 9.0.1 Safeguarding is an important mechanism which helps to ensure that that the mineral resource is not sterilised by, or the mineral related infrastructure lost to, non-mineral development which is proposed over or close to the resource or infrastructure without due consideration being given to the presence of the resource or infrastructure.

9.1: Safeguarding Mineral Resources

INTRODUCTION AND BACKGROUND

- 9.1.1 Minerals are a non-renewable resource and can only be worked where they occur. The NPPF requires that all mineral planning authorities define Mineral Safeguarding Areas (MSAs) so that known locations of specific mineral resources of local and national importance are not sterilised by non-mineral development, such as housing, retail or industry. This will help to ensure that the minerals remain available for possible use by future generations. Where it is considered necessary for non-minerals development to take place, prior extraction of the mineral should be undertaken where practical and environmentally feasible.
- 9.1.2 Mineral Safeguarding Areas (MSA) identify the mineral resources which are worthy of safeguarding and Mineral Consultation Areas (MCA) identify the areas where the District and Borough authorities are required to consult the MPA on planning applications for non-minerals development. The designation of MSAs does not convey any presumption that mineral extraction will be acceptable in these areas; nor do they preclude other development from being permitted; their purpose is to provide a policy tool to ensure that mineral resources are considered fully alongside all other considerations when they are at risk from being lost to proposals for non-mineral development and to ensure that they remain available for future assessment and possible future use. There is also no presumption against mineral extraction in areas that are not safeguarded, as MSAs may not necessarily capture every viable resource.

POLICY SP17: MINERAL SAFEGUARDING AREAS AND CONSULTATION AREAS

Mineral Safeguarding Areas

All known locations of locally and nationally important mineral resources, permitted reserves, permitted mineral operations and allocated mineral sites will be safeguarded from sterilisation by non-minerals development through the designation of mineral safeguarding areas, which include a 500m buffer for hard rock resources and a 250m buffer for other resources, as identified on the

Policies Map. In cases where non-mineral development is proposed within the buffer zones, the ‘agent of change’ principle will apply.

Proposals for non-mineral development in mineral safeguarding areas will be required to demonstrate, through a mineral resource assessment undertaken by a suitably qualified person, that the mineral resource would not be sterilised as a result of the development or that there are other sustainable overriding reasons why the mineral resource should not be extracted prior to that development taking place.

Where this cannot be demonstrated, and where there is a clear and demonstrable need for the non-mineral development, prior extraction of the mineral will be sought where practicable without causing unacceptable impact on the environment or local communities and having regard to the benefits of the restoration of the site.

Mineral Consultation Areas

District and Borough Councils within the Plan area will consult the Mineral Planning Authority on proposals for non-minerals development within the defined Mineral Consultation Area, as shown on the Policies Map. The Councils will not be required to consult on the list of exempt developments as set out in paragraph 9.1.11 below.

The Minerals Planning Authority will object to inappropriate non-minerals development within the Minerals Consultation Areas.

Where non-mineral development would cause an unacceptable impact on an existing mineral operation or mineral allocation, practicable measures should be provided by the applicant to mitigate any adverse impact prior to completion of the development.

REASONED JUSTIFICATION

- 9.1.3 The NPPF sets out the national approach to planning for minerals, including the need to conserve mineral resources in accordance with the principles of sustainable development. It requires MSAs to be defined in planning policy documents to ensure that known locations of specific minerals of local and national importance are not sterilised by non-mineral development, whilst not creating a presumption that resources which are defined will be worked. It sets out that, when it is considered necessary for non-mineral development to take

place, prior extraction of the minerals should be encouraged where practicable and environmentally acceptable

- 9.1.4 It states that other development proposals should not normally be permitted in MSAs if they might constrain potential future use of the resource for mineral working. Annex 2 of the NPPF sets out that minerals of local and national importance include brick clay (especially Etruria Marl and fireclay), silica sand (including high grade silica sands), coal derived fly ash in single use deposits, cement raw materials, gypsum, salt, fluorspar, shallow and deep-mined coal, oil and gas (including conventional and unconventional hydrocarbons), tungsten, kaolin, ball clay, potash, polyhalite and local minerals of importance to heritage assets and local distinctiveness.

It encourages the prior extraction of minerals if it is necessary for non-mineral development to take place in MSAs..

It also sets out that local planning authorities should safeguard:

- existing, planned and potential sites for the bulk transport, handling and processing of minerals; and
- the manufacture of concrete and other concrete products and the handling, processing and distribution of substitute, recycled and secondary aggregate material.

It states that planning policies and decisions should ensure that new development can be integrated effectively with existing businesses and community facilities.

- 9.1.5 PPG sets out that mineral planning authorities should adopt a systematic approach for safeguarding mineral resources, which:
- uses the best available information on the location of all mineral resources in the authority area. This may include use of British Geological Survey maps as well as industry sources.
 - consults with the minerals industry, other local authorities (especially district authorities in two-tier areas), local communities and other relevant interests to define MSAs
 - sets out MSAs on the policies map that accompanies the local plan and define MCAs based on the MSAs, and
 - adopts clear development management policies which set out how proposals for non-minerals development in MSAs will be handled, and what

action applicants for development should take to address the risk of losing the ability to extract the resource. This may include policies that encourage the prior extraction of minerals, where practicable, if it is necessary for non-mineral development to take place in MSAs and to prevent the unnecessary sterilisation of minerals.

- safeguards mineral resources in designated areas and urban areas where necessary to do so.
- requires District/Borough councils to include MSAs on their Local Plan Policies Maps.

9.1.6 The British Geological Survey (BGS) published the document “Minerals Safeguarding in England: Good Practice Advice” in September 2011. This supports and facilitates MPAs in their implementation of national policy with respect to the safeguarding and the prior extraction of minerals. It provides independent advice and a step-by-step methodology on how to define MSAs to prevent the needless sterilisation of minerals, as required by the NPPF. It advises that in most cases MSAs should cover the full extent of mineral resources considered to be of economic importance and that they should also cover urban areas under which mineral resources lie. It recommends the use of buffer zones to protect mineral resources from the effects of proximal development.

9.1.7 Minerals Safeguarding Guidance MPA/Planning Officers Society (POS) Practice Guide sets out the process that developers, local authorities and mineral planning authorities should follow to ensure safeguarding is properly considered in planning decisions (allocating sites in plans and determining applications). It describes the information that is required to inform decisions, how and when to obtain it, and the roles and responsibilities of those involved. It builds on, but does not replace, previous advice issued by BGS, helping to develop a more consistent approach to safeguarding and adding a valuable level of detail for practitioners, particularly regarding implementation.

9.1.8 The guide supports the aims of the NPPF, and is a useful guide for all planning authorities, as well as developers considering carrying out development on mineral-bearing land or near to existing or proposed mineral infrastructure..

SAFEGUARDED RESOURCES

9.1.9 For the purposes of safeguarding, the Plan area has the following mineral resources:

- Glaciofluvial sand and gravel.

- Carboniferous limestone (aggregate, industrial and building stone grades).
- Fluorspar and associated vein minerals (found within the carboniferous limestone).
- Permian limestone (industrial and aggregate grade).
- Surface mined coal.
- Namurian sandstone (building stone).
- Sherwood sandstone.
- Fireclay (found within the coal measures).
- Brick clay (associated with the coal measures)
- Coal derived fly ash (associated with glaciofluvial sand and gravel)

9.1.10 These resources will all be safeguarded. Fire Clay and Brick Clay are found within the surface coal resource and will be safeguarded by virtue of this predominant mineral being safeguarded. Coal derived fly ash has been used in the past to restore glaciofluvial sand and gravel workings and will be safeguarded by virtue of the area covered by the glaciofluvial sand and gravel resource being safeguarded. Deep mined coal, oil and gas resources are not safeguarded because they are not vulnerable to sterilisation as a result of surface development. This is because although the material is extracted from a wide area underground, it is brought to the surface at a single relatively small point on the surface.

EXEMPT DEVELOPMENTS

9.1.11 The main risks to future minerals extraction will arise from proposals to extend built up areas into the countryside and new development in the open countryside. Given that the majority of planning applications are submitted for development within urban areas, the designation of MSAs and MCAs could potentially lead to a large amount of unnecessary notification between district planning authorities and mineral planning authorities. To overcome this, a list of exempt developments is proposed. These are developments which will have no significant implications for mineral safeguarding and therefore on which the district/borough planning authority will not be required to consult the MPA for that purpose. These are:

- Householder development including extensions and conversions.
- Applications that do not constitute major development, as described in The Town and Country Planning (Development Management Procedure) (England) Order 2010, having regard to Policy DM14; Cumulative Impacts.

- Applications for alterations and extensions to existing buildings and for change of use of existing development.
- Infill development.
- Applications for advertisement consent.
- Applications for reserved matters.
- Development which is in accordance with an adopted Local Plan.
- Prior notifications (telecoms, forestry, agriculture, demolition).
- Applications for works to trees.
- Applications for temporary planning permission.
- Applications for variation of condition.
- Applications for Listed Building Consent

9.1.12 No specific thresholds are applied in terms of the area of the development site to be considered for consultation. Doing so may exclude small developments that can sterilise a large amount of mineral or a mineral of national importance.

SAFEGUARDING IN URBAN AREAS

9.1.13 Planning Practice Guidance sets out that safeguarding areas should be defined in designated areas and urban areas where necessary to do so. For example, safeguarding of minerals beneath large regeneration projects in brownfield land areas can enable suitable use of the mineral and stabilisation of the ground before any non-mineral development takes place.

9.1.14 BGS advises that MSAs should be defined to cover all urban areas which are underlain by minerals, in order to highlight the potential for extracting significant quantities of mineral which can exist beneath large urban regeneration projects and brownfield sites, and which may otherwise be overlooked. The Coal Authority supports this approach.

9.1.15 One disadvantage of the approach of MSAs covering urban areas is that it could potentially lead to a large amount of unnecessary consultation between district planning authorities and mineral planning authorities. However, the developments exempted from the consultation process, which have no implications for mineral safeguarding, as set out above, would help to overcome the problem of there being excessive numbers of notifications.

- 9.1.16 There may be cases when the redevelopment of a site within an urban area underlain by mineral provides the opportunity for mineral to be exploited. Extraction of mineral in these cases may be of economic advantage due to the availability of mineral on site for the development proposed or the shorter distance to market if sold. In the case of coal, prior extraction can also help to rectify issues associated with land stability.

DEVELOPMENT CLOSE TO MINERAL RESOURCES

- 9.1.17 Development which is close to, but not actually within, a mineral resource may also lead to the sterilisation of part of the resource. To take account of such risks and to also account for the inexact nature of mapped geological boundaries, particularly for more scarce resources, the MSA is extended beyond the actual resource boundary, by what is known as a buffer. For most mineral resources where blasting is not required, this has been set at 250m. The use of blasting requires the buffer zone for hard rock resources to be greater and has therefore been set at 500m.
- 9.1.18 In cases where non-mineral development is proposed within the buffer zones, the ‘agent of change’ principle will apply. This means that where the operation of an existing business or community facility could have a significant adverse effect on new development (including changes of use) in its vicinity, the applicant (or ‘agent of change’) for the new development should be required to provide suitable mitigation approved by the MPA before the development is completed.
- 9.1.19 It may well be the case that, with modern blasting techniques, the issue can be resolved and development can take place close to mineral workings with neither party being affected to a significant extent, but this approach will ensure that the issue can be considered at an as early stage as possible in the process of determining a planning application.

MINERAL CONSULTATION AREAS

- 9.1.20 Since Derbyshire is a two-tier area, there will also be a need to include Mineral Consultation Areas (MCAs). In the Plan area, the safeguarding and consultation areas are identical. In areas covered by the MCA, the District/Borough Planning Authorities will be required to consult the MPA on planning applications and local plan allocations that arise within this area.

ASSESSMENT AND MITIGATION OF IMPACTS

9.1.21 Where new non-mineral development is proposed in close proximity to a mineral operation, it will be the responsibility of the developer of the proposed development to put in place any measures which will be required to mitigate any potential adverse impacts of the existing minerals operations.

9.1.22 It is expected that the individual or company proposing a development will provide the necessary information to enable the MPA to consider the potential effect of non-exempt development in MSAs/MCAs on mineral safeguarding. This will take the form of a Minerals Resource Assessment and should include the following information:

- The type of mineral resource(s) thought to be present;
- the potential extent of sterilisation which could occur as a result of the development in terms of tonnage;
- Economic value and viability of the mineral, i.e. the market interest.
- Site specific considerations that may affect feasibility or acceptability of extraction from the site;
- Potential options for prior extraction including the amount that could be extracted, nearby operators that could extract and process the material, or opportunities for on-site use.
- Any results of mineral survey or exploration undertaken

PRIOR EXTRACTION

9.1.23 There will be cases where there is a clear and demonstrable need for non-mineral development to take place within mineral safeguarding areas. In such cases, to prevent the unnecessary sterilisation of mineral resources, prior extraction of the mineral will be sought where practicable. It is likely to be an option for relatively shallow deposits (for example sand and gravel, building sand and shallow coal) rather than for hard rock.

9.1.24 The extraction of mineral prior to, or as part of, the development of a site may be of economic advantage due to the availability of mineral on site for use in the development proposed or the shorter distance to market if sold. There will be different issues regarding prior extraction depending on the mineral involved, but it is most likely to be viable for shallow resources such as sand and gravel and surface coal. In the case of coal, in particular, prior extraction can help to rectify issues associated with land stability and post-development

fire and gas hazards associated with the spontaneous combustion of shallow coal.

9.1.25 Although there is a general presumption against the extraction of coal resources, there may be cases where it may be considered acceptable for sustainability reasons to extract it as part of a non-mineral development.

9.1.26 It is acknowledged that there will be cases where prior extraction will not be viable or appropriate. In such cases, the developer will be expected to demonstrate that:

- The non-mineral development is of a minor nature as defined in the categories of exempt developments listed above or;
- The need for the non-mineral development can be demonstrated to outweigh the need to safeguard the mineral; or
- the mineral in the location concerned is no longer of any potential value as it does not represent an economically viable and therefore exploitable resource; or
- the non-mineral development would be on the urban fringe where mineral extraction would be inappropriate; or
- The non-mineral development is of a temporary nature that would not inhibit extraction within the timescale that the mineral is likely to be needed.

9.2: Safeguarding Minerals Related Infrastructure

INTRODUCTION AND BACKGROUND

- 9.2.1 This chapter considers how the minerals supply and transport infrastructure in the Plan area will be safeguarded. It is important to safeguard minerals related infrastructure to ensure that the minerals which are produced within the Plan area and the surrounding areas are supplied to the market in the form required (e.g., concrete or coated road stone), and the potential to transport them in sustainable ways is maintained, including by rail and water. Safeguarding will also ensure that if development is proposed at, or near to, any of the identified locations then the significance of the site in terms of retaining supply can be considered fully before decisions are made.

TYPES OF MINERAL RELATED INFRASTRUCTURE

Transport Infrastructure

- 9.2.2 There are currently three operational railheads, three non-operational railheads and four rail links to quarries in the plan area (see Annual Monitoring Report for a list of the sites). These are already effectively safeguarded as a result of them being located within permitted mineral workings.

Concrete Batching Plants

- 9.2.3 There are currently thirty five concrete batching plants in the Plan area (See Annual Monitoring Report for a list of the sites). Some facilities are located on existing mineral workings, whilst others are standalone facilities on industrial estates in urban areas. The numbers and distribution of the sites involved do not suggest that any individual plant is critical in its own right; each would appear to serve its own relatively limited local area.
- 9.2.4 It can be beneficial in sustainability terms where the batching plant is located within a quarry as the host operation often supplies a large proportion of the raw materials for the manufacture of concrete or asphalt, thereby reducing transportation. Other concrete plants are usually situated within industrial estates. Large development sites often build their own temporary concrete plants to supply the development.

Coated Stone Plant (Asphalt)

- 9.2.5 Asphalt is a vital product as it is used in many different applications. These include road construction and maintenance, pavements, airport runways, school playgrounds, car parks, footpaths and cycleways and the roofing of buildings.
- 9.2.6 There are two coated stone plants in the Plan area. These are listed in the Annual Monitoring Report.

Facilities Producing Secondary and Recycled Aggregate

- 9.2.7 The most common facilities producing secondary and recycled aggregate are the dedicated stand-alone transfer and recycling facilities where crushing and screening of appropriate wastes is undertaken on sites which receive, sort and process a range of high volume, low-value materials. Some of these sites focus entirely on this activity but most sites perform a range of other sorting and recycling operations in addition to aggregate production. During the last twenty years the number of dedicated recycling sites throughout the Plan area has increased significantly. The primary locations are in and around the main urban areas, focused on older industrial estates and other areas of previously developed land at the lower value end of the market. Most of these facilities are relatively small-scale operations. They are listed in the Annual Monitoring Report.
- 9.2.8 The other source of recycled aggregate is from demolition sites where mobile crushing and screening equipment has been used to produce aggregates from the buildings and other site materials which are being removed and used in the reconstruction works at the site. Detailed information about the number of sites where this has taken place and the volume of material produced is very difficult to obtain.
- 9.2.9 Secondary aggregates have also been produced from materials obtained from the reworking of old, former tips associated with heavy industrial businesses. Some materials have been derived from sites where the primary activity has been to obtain more valuable materials (e.g., red shale or coal) contained in tips and which are now in demand and can be worked in an economically viable manner. Other materials have been obtained from tips which have been removed as part of wider remediation projects.

POLICY SP18: SAFEGUARDING MINERALS RELATED INFRASTRUCTURE

Existing, planned and potential rail heads, rail links to quarries, sites for concrete batching, coated stone, block making, all sites associated with processing minerals and the processing and distribution of recycled and secondary aggregate within and outside quarries and on former mineral waste tips are safeguarded, with the addition of a 250m buffer zone, to ensure that they are taken into account when other forms of non-mineral development are proposed in or around the facility. In the event of non-mineral proposals being proposed within the safeguarded area or the buffer zone, then the ‘agent of change’ principle will apply.

Should the facility be removed during the course of the Plan period, or it can be proved that is no longer required, this will be taken into account when considering a proposal on or around the facility.

REASONED JUSTIFICATION

- 9.2.10 The NPPF states that planning policies should safeguard existing, planned and potential sites for: the bulk transport, handling and processing of minerals; the manufacture of concrete and concrete products; and the handling, processing and distribution of substitute, recycled and secondary aggregate material, to ensure that they are taken fully into account when proposals for non-mineral development may threaten their on-going function. PPG states that in two-tier administrative areas such as Derbyshire, responsibility for safeguarding sites for the storage, handling and transport of minerals rests largely with the district or borough planning authority except where these facilities and sites are located at quarries or aggregate wharves or rail terminals. Derby City Council will be responsible for safeguarding mineral related infrastructure in its Local Plan.
- 9.2.11 Secondary processing facilities such as concrete batching plants, coated road stone and aggregates recycling facilities provide materials to maintain both existing infrastructure and new developments. These facilities are relatively small in nature and, whilst some are located within existing mineral workings, many are stand-alone facilities located in employment areas, permitted by the District or Borough Councils. The facilities located within permitted minerals workings, and therefore within the control of the County Council, will be

safeguarded through the designation of mineral safeguarding areas in accordance with Policy SP17. The stand-alone facilities permitted by a District or Borough Council, and which are not specifically linked to existing minerals workings, will be safeguarded by the relevant District or Borough Council in accordance with national policy and guidance. These are shown for information within the Annual Monitoring Report.

- 9.2.12 Most District and Borough Council Local Plans contain policies designed to protect existing employment land and these types of facilities would also be protected by the agent of change principle. This requires that existing businesses and facilities should not have unreasonable restrictions placed on them by new development permitted after they were established and that the applicant (agent of change) for the new development should be required to provide suitable mitigation if necessary, which has been approved by the MPA before the development is completed.
- 9.2.13 Development which is close to, but not actually within, the safeguarded facility may also lead to the sterilisation of part of the resource. To take account of such risks, the designation of a 250m buffer zone around the safeguarded facilities will ensure that when proposals for any development in this 250m zone are considered, full account is taken of the safeguarded facility. It will be the responsibility of the developer of the proposed new development (agent of change) to seek approval for and put in place any measures which may be required to mitigate any potential adverse impacts of the existing mineral related operation on the new development.
- 9.2.14 The County Council will respond to planning applications for non-mineral development which may affect minerals related infrastructure when consulted by District and Borough Councils to highlight safeguarding issues and ensure that the presence of the facility is taken into account along with all other considerations.
- 9.2.15 Safeguarding a facility which is currently in operation cannot guarantee that it will remain in operation until the end of the Plan period and beyond. It may be the case that a particular site is no longer required for valid reasons, for example a new supply source may have been developed elsewhere, the company may be consolidating or relocating, or the specific project being worked on has ended and the infrastructure is no longer required. In such cases, it would not be appropriate to prevent alternative, productive forms of development from using the site, as this may stifle future economic growth.

- 9.2.16 It is also possible that other forms of development could be allowed if it can be shown that the loss of the particular infrastructure site would not affect the provision of the resource to which it relates in overall terms or would be replaced elsewhere or there is shown to be sufficient provision of that particular type of facility in the area that it serves. This ensures that safeguarding can be maintained but will allow for the importance and role of the facility to be considered at the planning application stage, taking account of the potential contribution of alternative types of development.

CHAPTER 10: Restoration of Sites in the River Valleys

INTRODUCTION AND BACKGROUND

- 10.1 The river valleys in the south of the Plan area, which include the Trent, Derwent and Dove Valleys, face increasing pressure from new development. The need to identify further sites for mineral extraction and the allocation of land for new housing growth and infrastructure will place further demands on the landscape in the short and long-term.
- 10.2 At the same time, evidence points to the growing importance of the valleys as an important resource of green and blue infrastructure, serving existing and new communities, helping to enhance natural capital through the creation of networks of wetland and woodland habitat for nature conservation, largely as a result of the restoration of sand and gravel workings, as well as the improved management of the existing landscape not affected by quarrying.
- 10.3 There will be a number of elements of this landscape that will help to address the challenges of climate change, for example river braiding and widening can reduce the risk and scale of flooding by providing increased storage for flood water. Also, the planting of reed beds and trees at restored sites provide benefits for the climate, including carbon storage and improved water quality.
- 10.4 Until now, sand and gravel workings in the Plan area have been restored to after-uses with an approach that has concentrated on the requirements of the specific site rather than also considering fully its context within the wider surrounding landscape of the river corridor. As sand and gravel workings have developed over a wider area, this approach has resulted in a landscape which has become progressively fragmented; the overall environmental and cultural integrity of the landscape is gradually being altered.
- 10.5 The approach set out proposes a longer-term strategy for the restoration of sand and gravel workings in the Trent, Derwent and Lower Dove Valleys, indicating what the valleys should look like in the future and how the restoration of individual sites will fit into this. This will promote a more coordinated strategic landscape scale approach to minerals planning. It will play an important part in helping to achieve the long-term vision for the area, as set out in the emerging Trent Valley Vision, which is being developed by the County Council.



Restored sand and gravel workings at Trent Farm, Long Eaton

- 10.6 It will, therefore, help to contribute to the delivery of a new, more connected landscape, improving life for existing communities, where people will want to live, with new economic and recreational opportunities, and which is rich in history and wildlife and attracts visitors to the area. A new, robust landscape framework would be better able to deal with the increasing demands being placed on the landscape and take advantage of the opportunities presented by these changes.
- 10.7 Adjoining authorities, through which the River Trent flows, are either in the process of developing or considering similar approaches. Authorities will work together to ensure that the strategies are coordinated across the valleys. The Central Rivers Initiative is part of the wider Transforming the Trent Valley Project led by Staffordshire Wildlife Trust that aims to secure a multifunctional end use for sand and gravel extraction sites in the sub region, and to integrate the sites into landscape scale management of the river valleys.
- 10.8 The area covered by the Strategy for the River Valleys is shown on Figure 10.1 below.

Figure 10.1 Trent Valley Restoration Study Area



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POLICY SP19: RESTORATION OF SAND AND GRAVEL SITES IN THE RIVER VALLEYS

When considering the restoration of sand and gravel sites in the Trent, Derwent and Lower Dove Valley areas, the overall wider context of the site in the valley should be taken fully into account where practicable, including the potential for taking a coordinated approach with the restoration schemes of other sand and gravel workings in the area.

The Mineral Planning Authority will work with communities and mineral operators and other stakeholders to help ensure that proposals for mineral working in the Trent, Derwent and Lower Dove Valleys show how the restoration of sites will fit in with this long-term restoration strategy for sand and gravel sites in the river valleys.

REASONED JUSTIFICATION

- 10.9 National planning policy requires that land worked for minerals is restored at the earliest opportunity, taking account of aviation safety and that high quality restoration and aftercare of mineral sites takes place.
- 10.10 Objective 9 of the Plan seeks to ensure that the sustainable restoration of mineral sites takes place. It sets out that mineral development will support the high-quality restoration and aftercare of sites to the most appropriate after use, taking into account aviation safety, providing maximum local and strategic benefits to the wider area and local communities, including measures to address climate change.
- 10.11 Policy SP1; Sustainable Development, supports proposals for mineral development where they contribute towards a strategic approach to restoration within the Trent Valley area. It is an area where planned sand and gravel extraction coincides with significant planned housing growth, including proposals for a new garden village and new transport infrastructure. It is considered important to adopt a co-ordinated approach to the restoration of sand and gravel sites in the context of the changing landscape of this area and to consider the wider benefits that mineral restoration can contribute towards in terms of landscape character, biodiversity, historic environment, recreation and public access.

- 10.12 The strategy has been informed by a key project undertaken by the County Council to map Environmentally Sensitive Areas in the Trent Valley area. This has identified:
- areas of landscape considered to be of multiple environmental sensitivity relating to ecology, historic environment and landscape attributes
 - areas of some environmental value with respect to one of the datasets used but weaker in other areas.
 - those areas which might be considered comparatively less sensitive, although there may be pockets of land of some environmental value.
- 10.13 It concluded that the opportunity exists to create more resilient landscapes, firstly through the conservation of the areas identified as being of the highest environmental value (where mineral working is unlikely to be acceptable). Secondly, with robust mitigation and management in the less sensitive areas where some change is proposed and thirdly through the planning and enhancement of areas currently deficient in these environmental qualities. Environmental, economic and community benefits are likely to result in all cases. More detailed information on this project can be found in the Background Paper: A Methodology to Map Environmentally Sensitive Areas in The Trent Valley
- 10.14 The strategy will help to achieve the overarching vision for the Trent Valley, as set out in the emerging Trent Valley Vision, which is being developed by the County Council and which has gained the support of key stakeholders.
- 10.15 It will also help to support, and be part of, the development of Nature Recovery Networks (NRN), the ultimate aim of which is to create a national network of wildlife-rich places.
- 10.16 The strategy will help to maintain and encourage a thriving minerals industry, providing it with a greater degree of certainty regarding the available mineral resource and clarity about the physical constraints that exist on mineral working in the valleys.
- 10.17 It may also encourage mineral operators to revisit former extraction areas (possibly restored) to undertake additional work that might further benefit the broad long-term objective for the valleys, for example connecting existing water bodies or providing a link to the river.
- 10.18 At this stage, a broad policy is included in the Local Plan and the detail of the strategy will be included in a Supplementary Planning Document.

Part 3:

Non-Strategic Policies



CHAPTER 11: Other Mineral Related Issues and Development Management Policies

11.1 Other Mineral Related Issues

- 11.1.1 In setting out policies for non-strategic matters the NPPF¹³⁷ requires local plans to include detailed policies for, amongst other things, types of development¹³⁸. The following policies cover general mineral related issues which are not considered to be strategic.

BORROW PITS

- 11.1.2 Borrow pit is the term used to describe temporary mineral extraction which is used in association with a specific major building or engineering project, such as the construction of a new road, railway, or reservoir. Borrow pits are used solely to supply mineral based construction materials for these projects. They normally involve the excavation of large quantities of material over a short period from a site lying adjacent or very close to the development site. Typically, the materials are used to provide bulk fill, but they can also be used for specialist purposes, for example, the supply of clay with particular qualities for placement around bridge supports over water courses. Past examples, in the Plan area, include the borrow pits used in connection with the construction of the A50 Stoke-Derby link between the M1 motorway and Doveridge.
- 11.1.3 Borrow pits can have a number of advantages over established quarries. Major construction projects such as road schemes are normally intensive developments and require large quantities of material over a relatively short period. For a developer, the use of a borrow pit operated under their control can ensure the availability of the material that is required in the right quantities and the right times to serve the needs of the construction project. In contrast, an established quarry may have a number of existing supply contracts and may not be able to guarantee delivery in the volumes which

¹³⁷ Paragraph 18, NPPF, July 2021

¹³⁸ Paragraph 28, NPPF, July 2021

are required, especially if the quarry output is limited and controlled by the terms of the planning permission. Additionally, the void created by the mineral extraction can sometimes be used to dispose of surplus excavation materials from the construction site and the land restored at a much shorter timescale than at a conventional quarry. Furthermore, sourcing the material from an adjacent site reduces the volume of traffic on public roads and the associated impacts that can have. Minerals won from borrow pits contribute towards the Plan area's aggregate requirements and may help to conserve reserves at established quarries by ensuring that the construction project uses minerals of an appropriate quality.

- 11.1.4 Planning permission is required for all borrow pits apart from smaller ones which are developed within the boundary of construction sites, including highways and railways. Proposals for borrow pits will be considered in the same way as other mineral development and therefore they must be justified in terms of being the most sustainable way of supplying mineral to meet demand, taking into account appropriate socio-environmental safeguards covering both working and restoration.
- 11.1.5 The need for and the supply of borrow pits can only be established on an individual construction project basis and where borrow pits are proposed information should be provided to demonstrate the relationship between the proposal and the specific project to be served. It is particularly important to plan early for borrow pit development in order that it can be developed in the timescales required for each project. Borrow pits should not be used to serve the wider market for minerals.
- 11.1.6 The main impacts associated with borrow pits is that they usually involve greenfield sites and may lie in semi-urban areas where mineral working would not normally be acceptable. It is an important principle, therefore, that proposals for borrow pit development provide significant benefits that offset any adverse impacts of mineral extraction in such locations. They should also set out a clear and acceptable method of operation with appropriate mitigation measures and provide for an appropriate form of restoration. Policy OM1 covers only those matters that relate specifically to the extraction of minerals by borrow pit; all other policies of the Plan apply to borrow pit development where relevant.

POLICY OM1: BORROW PITS

Proposals for borrow pits associated with specific construction projects will be supported where:

- 1) The site is adjacent to or sufficiently close to the project so that the material can be conveyed to or from the site without using the public highway;**
- 2) The material extracted will only be used in connection with the project or will be used to receive material from the project**
- 3) It can be demonstrated that the supply of material from the borrow pit could not be obtained from other permitted sites nearby or would provide significant net economic, social and environmental benefits than if it were supplied from an existing source;**
- 4) The borrow pit can be restored to an appropriate after use, at the earliest opportunity, without the use of imported material, other than that generated from the construction project; and**
- 5) The use of the borrow pit is limited to the life of the project.**

REASONED JUSTIFICATION

11.1.7 Borrow pits provide a way of contributing to the sustainable supply of minerals for specific construction projects. The issue of borrow pits is not addressed explicitly in the NPPF or PPG; borrow pits, however, are a form of mineral development and the guidance in these documents relating to the need to maintain the supply of minerals whilst protecting the environment and local amenity applies to these developments.

11.1.8 Policy OM1 allows for the working of borrow pits subject to proposals meeting strict criteria relating to their location, the use of the mineral, the need for the mineral, restoration of the site and duration of the operation. In considering need the quantities and specifications of materials required for the construction project will be assessed, by the MPA, in the context of the level and location of existing permitted reserves. In general, it should usually be possible to meet requirements from local established quarries or from secondary/recycled aggregates. In such circumstances, borrow pits can normally only be justified where they offer clear net sustainability benefits over alternative existing sources of supply. The MPA will take into account

such benefits, for example, where borrow pits are adjacent to construction sites, the most obvious benefit will be the avoidance of heavy good vehicles on the road network. There may also be economic and energy savings because of reduced haulage costs. These factors may also provide benefits for reducing carbon emissions in the context of climate change. Sites will need to be restored to an appropriate after use which may include using waste material from the construction project. The use of the mineral and the duration of proposed operation will be strictly controlled in relation to the construction project.

REWORKING OF FORMER SPOIL TIPS

- 11.1.9 The Plan area contains a number of historic spoil tips associated with former large-scale manufacturing and heavy engineering industries. Advances in processing technology now make it possible to recover the minerals from these tips, although the viability varies in accordance with the price and the quantity available. Proposals usually involve the re-tipping of waste material within the original tipping area. The recent reworking of one of the former spoil tips at the St Gobain site (formerly the Stanton and Staveley works) to the south of Ilkeston is a recent example of this form of development within the Plan area. Tarmac is also reworking tipped material at Hindlow Quarry.
- 11.1.10 The reworking of spoil tips has a number of benefits. It supports the important sustainability principle of re-using waste material to supply minerals which assists in reducing the need for other minerals to be obtained from new sites, thus retaining primary minerals for use in the longer-term. It could extend the life of established quarries and even avoid or delay the need for additional extraction sites. Furthermore, the reworking of former spoil tips has the potential to facilitate the improvement of those sites that did not benefit from a high standard of reclamation at the time and which detract from the environment and local amenity of an area.
- 11.1.11 However, whilst the reworking of former spoil tips may represent a small-scale development compared to traditional mineral extraction sites, the operations can involve substantial engineering works requiring the use of large machinery and other plant such as screening and washing equipment. They may also seek to operate over a 24-hour period to make the operation economically viable. These activities therefore have the potential to generate a range of adverse socio-environmental impacts including visual intrusion, HGV movements, noise and dust similar to those for more regular mineral extraction sites. The impacts of obtaining the mineral by such development

needs to be weighed against the benefits, which could include opportunities for landscape or habitat enhancement particularly where sites have not benefited previously from effective restoration schemes.

- 11.1.12 A further consideration is that in recent years, many of the older spoil tips have been well restored and are now an established feature of the landscape. Re-working of these tips could negate the benefits derived from the earlier restoration programme and this would need to be taken into consideration in the overall assessment of benefits. Policy OM2 covers only those matters that specifically relate to the extraction of minerals from former spoil tips, excluding colliery spoil tips which are covered by policy SP15: Coal and Colliery Spoil Disposal; all other policies of the Plan apply to this type of development where relevant. Spoil tips can also be re-worked to produce secondary and recycled aggregates. Proposals that fall within this category will be assessed against Policy SP3 the supply of recycled and secondary aggregates and all other policies of the Plan where relevant.

POLICY OM2: REWORKING OF FORMER SPOIL TIPS

Proposals for the extraction of minerals previously deposited in spoil tips will be supported where:

- 1) It can be demonstrated that the development would provide significant net economic, social and environmental benefits; and**
- 2) They would not adversely affect any previous restoration that has been carried out on the site, or, if so, they would result in further, significant improvements to the previous restoration scheme**

REASONED JUSTIFICATION

- 11.1.13 The NPPF and PPG do not specifically address the issue of the reworking of former spoil tips directly but do advocate the sustainable and prudent use of mineral resources and highlight the advantages of using secondary materials in preference to the extraction of primary materials.
- 11.1.14 The reworking of former spoil tips is, in principle, similar to other types of mineral development and mineral related development and the guidance of these documents relating to the need to maintain the supply of minerals to

support economic growth and provide for the needs of society whilst protecting the environment and local amenity applies to these developments.

- 11.1.15 The reworking of former spoil tips is a way of contributing to the sustainable supply of minerals by reusing waste sources. Policy OM2 allows for the working of minerals from former spoil tips where the economic, social and environmental benefits of the proposal, including any environmental improvements to the site outweigh the socio-environmental impacts of the development. In assessing the benefits of the development, the MPA will take into account any adverse impacts on previous restoration schemes and proposals will be expected to negate such impacts by providing further significant improvements to previous restoration schemes.

INCIDENTAL AND PRIOR WORKING OF CLAY

- 11.1.16 Clays are the amongst the most widespread sedimentary rocks present throughout the Plan area. Policies to enable the working of Brick Clay and Fireclay are set out at Chapters 7.3 and 8.1 however other types of clay, although of less importance can be of commercial value for use in engineering applications e.g. clay linings. This section is about the working of such deposits where they are found in association with other primary minerals such as sand and gravel and some crushed rock types. It also covers the prior extraction of such clay to enable the commencement of another approved development. Chapter 9.1 safeguards minerals of national and local importance, including Brick Clay and Fireclay from sterilisation by non-mineral development. It also includes a policy to enable their prior extraction.
- 11.1.17 In some mineral workings the primary mineral occurs alongside clay deposits which need to be removed to access that primary target mineral. Similarly, clay deposits may lie on sites that are being redeveloped for non-mineral development. Where such clay deposits are of commercial value it may be justifiable for them to be extracted and used off site or even used on-site. In principle, recovering minerals as an incidental element to the working of another mineral or prior to or part of a non-mineral development proposal promotes sustainable development by helping to use mineral resources that might otherwise be lost.
- 11.1.18 It is important that extracting and removing incidental clay off-site would not significantly increase the overall environmental impacts of extracting the primary mineral especially in relation to any impacts on the restoration of the site. Clay materials are often retained on site and replaced in worked out

areas to provide a satisfactory final landform. Incidental clay working could lead to additional visual, noise and dust impacts and increased HGV traffic from the site.

- 11.1.19 Similarly, where clay is removed prior to the development of a site for non-mineral development it is important to consider any additional adverse impacts from extracting the clay over and above those from the implementation of the approved development. It is necessary, therefore, to consider the location, scale, nature of such adverse impacts against the benefits of the mineral obtained. Prior extraction could also lead to additional visual, noise and dust impacts and increased HGV traffic from the site.

POLICY OM3: THE INCIDENTAL AND PRIOR WORKING OF CLAY

Proposals for the extraction of clay will be supported where they:

- 1) Involve the incidental extraction of clay in association with the production of other minerals and where the extraction would help to ensure the most sustainable use of resources and would not significantly increase any adverse environmental or local amenity impacts associated with the primary working, or the subsequent restoration and after use of the site; or**
- 2) Involve the prior extraction of clay in advance of non-mineral development and where the extraction, would avoid the permanent long-term sterilisation of the clay resource and would not significantly increase any adverse environmental or local amenity impacts associated with the proposed non-mineral development.**

REASONED JUSTIFICATION

- 11.1.20 The NPPF requires that, when preparing local plans, local planning authorities should include policies to provide for the extraction of minerals of national and local importance and to make the best use of them to ensure their long-term conservation. It also requires local plans to set out policies to encourage the prior extraction of minerals, where practical and environmentally feasible, if it is necessary for non-mineral development to take place. In turn, it also provides guidance on the issues that mineral

planning authorities should take into account when determining mineral development proposals.

- 11.1.21 The incidental and prior working of clay is a way of contributing to the sustainable supply of minerals by using minerals that might be sterilised or left unworked. Policy OM3 allows for the incidental working of clay in association with other minerals provided that extracting and removing the incidental clay off-site would not significantly increase the overall environmental and local amenity impacts compared with extracting the primary mineral, including any impacts on the reclamation and after use of the site. The policy also allows for the prior extraction of clay in advance of non-mineral development in order to avoid the long-term sterilisation of the clay resource and provided that the proposal would not significantly increase any adverse environmental or local amenity impacts associated with the proposed non-mineral development.
- 11.1.22 Proposals for the incidental working of clay alongside other minerals will be determined by the MPA. Where clay is worked prior to non-mineral development, whether a separate planning application will need to be made for mineral extraction to the MPA or whether the extraction will be considered as part of the non-mineral development, to be determined by the relevant City/Borough/District Council, will be decided on a case-by-case basis. The prior extraction of clay is not precisely defined in terms of quantity of mineral worked or duration. It does not, however, apply to mineral development simply because it is small scale or short term. If mineral extraction is a significant reason for justifying or promoting the development, the proposal will need to be assessed against the relevant policies applicable to the mineral being worked.

MINERAL RELATED DEVELOPMENT

- 11.1.23 Quarries and mines usually need ancillary mineral related development close by, such as plant machinery and buildings, for the treatment, preparation and use of minerals produced at the site. Examples include plant to crush, and screen raw mineral to a specified size or to wash raw mineral to remove impurities, and bagging plants to weigh and bag the raw mineral ready for export. In addition to ancillary development directly associated with the working of the mineral, there are often a number of 'industrial type' plants associated with the use of the mineral such as ready-mix concrete plants, concrete products and asphalt plants. At quarries which extract 'industrial

limestone’ additional development, such as cement and lime kilns, milling and powders plants may also be present.

PERMITTED DEVELOPMENT RIGHTS

- 11.1.24 Not all mineral or mineral related development requires a formal application for planning permission. The Town and Country Planning (General Permitted Development) (England) Order (GPDO) 2015 Part 17, as amended, permits certain types of minerals and mineral related development, as well as some limited mineral exploration, to take place without the need for express planning permission. These are commonly referred to as ‘permitted development rights’. To qualify, the development must be for purposes principally in connection with the winning and working of minerals from the mine, and includes the treatment, storage or removal of minerals and derived wastes. A wider range of other developments, including secondary industry ancillary to the mining operations, e.g. road coatings plants and storage silos, are also permitted under the GPDO subject to the prior approval of the MPA and where the MPA has not formed a view that it is Environmental Impact Assessment development. Where such approval is required, the MPA will have regard to the development management policies of the Plan as set out below.
- 11.1.25 Other forms of ancillary mineral related development do require planning permission. For some mineral extraction sites, particularly those of a limited duration, the range of ancillary equipment may have been identified in the original planning application and the use would be included in the planning permission. Some of the quarries in the Plan area, however, are substantial in size and will continue to operate for many years. The need for ancillary development at these quarries will vary over time and may involve the installation of new or replacement plant on different locations within the quarry.
- 11.1.26 There are a number of operational reasons why it is advantageous to co-locate ancillary mineral related development with the main mineral extraction operation. Additionally, it can reduce overall transport requirements and concentrate development on one site rather than a number of separate sites. However, the siting of additional plant, buildings and machinery (sometimes substantial in scale) usually in countryside locations can generate adverse socio-environmental impacts, for example, in terms of visual intrusion, noise, dust and traffic generation, which can be particularly detrimental where the extraction site is not well related to the highway network.

- 11.1.27 A further consideration is that some types of mineral related development is not constrained to a particular location in the way minerals extraction is and, in some instances, plant of this type may be in ‘freestanding’ locations, such as on industrial or employment land. In some cases, this can represent a more sustainable approach, particularly where a wide range of minerals or other raw materials, not available at the primary quarry site, are required as part of the process. Such sites may be better located in terms of transport networks and key markets for the products.
- 11.1.28 Where mineral related development is to be sited at a quarry or mine, it is important that the siting of such development in what would normally be a countryside location can be justified any that any benefits of co-location are not outweighed by environmental and local amenity impacts. Where such development is located in the ‘green belt’ it will need to satisfy Development Management Policy DM11. Where mineral related development is justified it should be time limited to coincide with the cessation of mineral extraction at the associated site.

POLICY OM4: MINERAL RELATED DEVELOPMENT

Proposals for mineral related development will be supported where they can demonstrate the need for a close link between the mineral related development and the mineral extraction and provided that they:

- 1) would not have significant adverse environmental and local amenity impacts;**
- 2) would not unacceptably increase the overall amount of road transport to the mineral site;**
- 3) are linked to the overall life of associated minerals extraction; and**
- 4) where applicable, support and promote the efficient use of energy and resources including renewable energy schemes, water management, waste minimisation and recycling and water efficiency measures.**

Proposals for mineral related development should be supported by a transport statement and/or transport assessment, proportionate to the scale of the development, in order to understand their impact on

existing transport networks and a travel plan in order to demonstrate how these impacts will be mitigated.

REASONED JUSTIFICATION

- 11.1.29 The issue of mineral related development is not addressed explicitly in the NPPF or PPG. Both, however, provide policy and guidance on the issues that MPAs should take into account when determining mineral and mineral related development proposals, particularly in relation to the need to ensure acceptable environmental and local amenity impacts.
- 11.1.30 There are recognised benefits from the location of mineral related development at mineral extraction sites. Policy OM4 supports such proposals provided they demonstrate the need for a close link between the proposed development and the mineral site. Particular consideration will be given by the MPA to ensure that impacts on the environment, local amenity and the highway network are acceptable. Where planning permission is granted for mineral related development, it will be time limited to expire on the cessation of mineral extraction at the site.
- 11.1.31 In assessing proposals for mineral related development the MPA will also have particular regard to Policy SP2 Climate Change which requires proposals for mineral related development to demonstrate how they can contribute towards reducing greenhouse gas emissions and provide for resilience and adaptability in responding to the impacts of climate change with particular reference to energy efficient, low carbon powered and sustainably designed and constructed plant and buildings.
- 11.1.32 Whilst some forms of mineral related development will be small scale, unlikely to generate traffic or have energy requirements, other forms of mineral development, including extensions to existing structures and buildings, will potentially be more substantial, requiring additional employees and energy requirements and operating on a 24 hour a day basis. In such circumstances, in line with the requirements of Policy SP2: Climate Change, the MPA will expect applicants to demonstrate that measures to improve the environmental performance of the mineral related development have been taken. Such improvements could include maximising energy efficiency or, where possible, adding on-site renewable energy generation capacity. Other approaches could include water management, waste minimisation and recycling and water efficiency measures. Where it is demonstrated that the

use of low carbon and renewable energy is not possible, carbon off setting should be considered.

- 11.1.33 Mineral related development can, in some circumstances, lead to significant levels of HGV traffic as well as employee vehicle movements. Where a proposal is located at a quarry site, such traffic could also result in cumulative impacts associated with quarry traffic. The MPA will therefore require proposals for minerals related development to be accompanied by either a transport statement or transport assessment, depending on the scale of the development. A travel plan will also be required, setting out how any impacts will be mitigated.

MINERAL EXPLORATION

- 11.1.34 Exploration is essential to prove the existence and extent of mineral resources and prior to development, it is necessary to ensure that a resource is economically viable and that it can be worked. Many proposals for mineral exploration are small scale, for temporary periods and have limited impact on their surroundings. Certain types and scales of development of this nature are classed as ‘permitted development’ and as explained in this Chapter, at 11.1.24, do not require a formal planning application for planning permission. Larger scale proposals will normally require planning permission. PPG identifies ‘exploration’ as a distinct stage for oil and gas development proposals. The exploration stage usually involves substantial operations and deep drilling and will generally require planning permission. Where this is the case, proposals for such development will be considered against Policy SP16: The Supply of Conventional and Unconventional Oil and Gas at Chapter 8.2. However, initial mineral exploration operations, including the undertaking of seismic surveys, can also be ‘permitted development’.
- 11.1.35 Seismic surveys are the most common type of geophysical survey, mainly associated with the exploration of coal, oil and gas. They provide useful information about the geology of an area and its potential to contain mineral resources rather than their existence. Most seismic surveys have little environmental impact; however, noise and vibration can raise concerns when carried out in sensitive areas and when carried out for a prolonged period. Most seismic surveys have permitted development rights but there are several exceptions relating to sensitive areas, proximity to buildings, size of the explosive charge and the duration of operations. In these cases, planning permission is required. In any event, operators are encouraged to notify local residents at an early stage, prior to surveys being carried out to

allay concerns and unnecessary fears. They are also required to submit a prior notification to the MPA if the development is over a certain scale and duration.

- 11.1.36 Trial pits and shallow boreholes are the main methods of surface mineral exploration which obtain data on the depth, extent and quality of the mineral, the make-up of overburden and hydrological data. After the information is recorded, the pits are backfilled and reinstated. These methods of exploration are mainly permitted development; exceptions to this include operations in close proximity to buildings and operations in environmentally sensitive locations. There are also limits on the intensity of drilling, the use of explosives and the heights of rigs.

POLICY OM5: MINERAL EXPLORATION

Proposals for mineral exploration will be supported where:

- 1) they are for a temporary period only;**
- 2) they would not have significant adverse environmental and local amenity impacts; and**
- 3) any land disturbed is satisfactorily restored at the earliest opportunity.**

REASONED JUSTIFICATION

- 11.1.37 The issue of mineral exploration is not addressed explicitly in the NPPF or PPG. Both, however, provide policy and guidance on the issues that MPAs should take into account when determining mineral and mineral related development proposals, particularly in relation to the need to ensure acceptable environmental and local amenity impacts.
- 11.1.38 Mineral exploration has an important role in the identification of economically viable mineral resources. Where such development requires planning permission proposals will be supported in principle subject to particular consideration by the MPA in relation to impacts on the environment and local amenity. Where planning permission is granted, it will be for a temporary period and subject to the requirement to satisfactorily restore any land disturbed at the earliest opportunity

11.2: Development Management

- 11.2.1 Development management refers to the process of determining planning applications, the subsequent monitoring of authorised development with planning permission as well as the investigation and enforcement against breaches of planning control. Planning applications should clearly explain the purpose of the development, provide details of how the operations will be managed and any measures proposed to reduce or remove adverse effects. The Plan will consider all social, economic and environmental issues that are relevant to each development proposal.
- 11.2.2 The development management policies are designed to assist in the delivery of sustainable mineral development (Chapter 4) and the strategic priorities (set out in the vision and objectives (Chapter 3)) of the Plan by providing detailed criteria against which proposals for mineral development and mineral related development will be assessed. In general, the development management policies relate to specific, site level criteria such as environmental impacts and standards and provide guidance about how planning applications for minerals development and minerals related development and applications for the review of mineral planning permissions in the Plan area will be assessed.
- 11.2.3 In the preparation of planning applications, applicants should consult the MPA's local list of information requirements for the validation of planning applications¹³⁹ and are encouraged to discuss their proposals with the MPA before submitting a planning application. Early informal consultation with the MPA and statutory consultees will help to identify potential impacts of proposals and potential measures to avoid or minimise them as well as the range of technical assessment work that may be required. Pre-application engagement with the local community and local interest groups can also help to establish potential impacts of a proposed development and improve the quality of decisions on planning applications. The MPA's Statement of Community Involvement provides information on how consultation on planning applications will be carried out¹⁴⁰.

¹³⁹ Derbyshire County Council, Planning Services Local List of Information requirements, Revision 4 (2021).

¹⁴⁰ Derbyshire County Council, 1st revised Statement Community Involvement, December 2021; Derby City Council, Revised Statement of Community Involvement, July 2017.

REVIEW OF MINERAL PERMISSIONS

- 11.2.4 Minerals development can take place over an extended period of time and many quarries in the Plan area are currently worked under planning permissions dating from the 1950s and 1960s. Provision for the review of old mineral planning permissions (ROMPs) is contained in the Planning and Compulsory Purchase Act 1991 and the Environment Act 1995. The purpose of the ROMP process is to enable the MPA to apply modern conditions to older permissions which reflect sustainability aspirations and offer appropriate environmental protection. ROMP submissions cannot be refused, and compensation liabilities may apply if working rights are unreasonably affected. However, a ROMP determination process will be conducted by the MPA in a similar way to the planning application process and the more general policies of the Plan will apply during its determination. PPG provides some guidance regarding the ROMP process¹⁴¹. ROMP applications may also need to be subject to an Environmental Impact Assessment, further information about which is set out in paragraph 11.6 below. PPG also provides some guidance about how the EIA regulations should be applied to ROMP applications¹⁴².

TRANSITIONING TO 2042 AND BEYOND

- 11.2.5 The Town & Country Planning (Minerals) Act 1981 introduced a provision to impose an end-date on all those mineral planning permissions that were granted prior to 22 February 1982 without a specific end-date. The new end date was set at 22 February 2042, 60 years after the power came into effect. The Plan Area contains more than 40 active or dormant mineral sites whose planning permissions are set to expire in 2042. Whilst some of those sites will have exhausted their reserves prior to 2042, many will still be both operational and contain commercially viable reserves with the potential for working many years beyond 2042.
- 11.2.6 The Plan covers the period up to and including 2038, which is close to the 2042 deadline. This presents a number of challenges for the MPA and mineral operators, in terms of certainty of continuity of supply as well as managing long-term working and restoration requirements through the ROMP process. At the current time no guidance has been produced by government about how to approach the 2042 deadline or regarding any

¹⁴¹ PPG, Paragraph 178, Ref ID: 27-178-20140306 onwards

¹⁴² PPG, Paragraph 013, Ref ID 4-013-20170728

potential legislative changes. It is therefore proposed that this issue will be annually reviewed post-adoption of the Plan with the potential for further guidance to be produced at that time. In the meantime, operators are encouraged to enter into discussions with the MPA regarding the long-term plans for their sites at the earliest opportunity.

MONITORING AND ENFORCEMENT

- 11.2.7 The effective monitoring of mineral sites to ensure compliance with their planning permissions and conditions and, where necessary, taking enforcement action against breaches of planning control, is very important. The MPA will work closely with other regulators and statutory bodies, such as the Environment Agency, in monitoring and exercising appropriate control over mineral sites, particularly where there is some overlap in respect of their regulatory responsibilities e.g. storage of contaminants or infilling operations. Efficient and effective monitoring can often identify potential problems early and ensure that they are resolved satisfactorily without the need for formal action. However, where it is considered appropriate and expedient to do so enforcement action will be taken. In undertaking its monitoring and enforcement responsibilities, the MPA will have regard to the development plan, including the Minerals Local Plan and any other material considerations. In undertaking its duties, the MPA will also undertake monitoring and enforcement in accordance with the procedures set out in its Local Enforcement Plan¹⁴³, where available.

ENVIRONMENTAL IMPACT ASSESSMENT

- 11.2.8 Due to their scale and nature, many proposals for minerals development are likely to require an Environmental Impact Assessment (EIA). EIA is a process undertaken by applicants as a means of understanding the likely significant environmental effects of the development proposal whether singly or in combination with other development. The results of the EIA in the form of an Environmental Statement (ES) are then submitted to the MPA with the planning application
- 11.2.9 Where there is potential for a proposal for minerals development or minerals related development to require an EIA, applicants are advised to consult the MPA well in advance of the planned submission and formally request an

¹⁴³ Derbyshire County Council, Local Enforcement Plan 2021 [Local enforcement plan 2021](https://www.derbyshire.gov.uk/local-enforcement-plan-2021) ([derbyshire.gov.uk](https://www.derbyshire.gov.uk))

opinion as to whether an EIA is required (referred to as a screening opinion) and, if so, its scope (a scoping opinion). The procedures for doing this are set out in the Town and Country Planning (Environmental Impact Assessment) Regulations 2017. Development is categorised by type and size and is either Schedule 1 or Schedule 2. Development of a type listed as Schedule 1 is automatically considered EIA development. Development of a type listed under Schedule 2 will be assessed under the criteria listed in Schedule 3 of the Regulations. Further information and guidance on the Environmental Impact Assessment can be found in PPG – Environmental Impact Assessment¹⁴⁴.

DEVELOPMENT MANAGEMENT POLICIES

- 11.2.10 The NPPF requires that planning policies should ‘*set out criteria or requirements to ensure that permitted and proposed operations do not have unacceptable adverse impacts on the natural and historic environment or human health, taking into account the cumulative effects of multiple impacts from individual sites and/or a number of sites in a locality*’¹⁴⁵.
- 11.2.11 The following sections present a range of development management policies for minerals development and minerals related development. These policies should not be read in isolation and should be applied in conjunction with the strategic policies of the Plan.

PROTECTING LOCAL AMENITY, HEALTH, WELL-BEING AND SAFETY

- 11.2.12 Minerals development and minerals related development can often have the potential to cause adverse impacts - including noise, dust, blast vibration and visual impacts - to the amenity, health, wellbeing and safety of local communities. Minerals can only be worked where they exist, and this can sometimes lead to the development of quarries or other mineral workings in close proximity to communities. A key element of the Plan is to ensure that, where such development does need to take place, impacts associated with it can be appropriately managed and controlled so they do not become unacceptable.

¹⁴⁴ PPG, Paragraph 001 Ref ID: 4-001-20170728 – Paragraph 058 Ref ID: 4-058-20150326 inclusive

¹⁴⁵ Paragraph 210(f), revised NPPF, July 2021

POLICY DM1: PROTECTING LOCAL AMENITY, HEALTH, WELL-BEING AND SAFETY

Proposals for minerals development and minerals related development will be supported where it can be demonstrated that there will be no unacceptable impacts to local amenity, health, well-being and safety arising as a result of:

- **Noise;**
- **Dust;**
- **Vibration, including blast vibration and air over pressure;**
- **Emissions to air and air quality;**
- **Ground contamination and water contamination;**
- **Land instability;**
- **Visual impacts and intrusion;**
- **Flooding;**
- **Light pollution; or**
- **Transport.**

Where appropriate, separation distances between a development and other land uses, including sensitive receptors, may be applied.

All proposals for minerals development and minerals related development will be expected to be accompanied by information sufficient to understand the impacts of the development on local amenity, health, well-being and safety.

REASONED JUSTIFICATION

- 11.2.13 Ensuring that new development is appropriate for its location is a key aspect of national planning policy. The likely effects of pollution on health, living conditions and the natural and built environment as well as the ability of the site and its surrounding area to accommodate impacts arising from the development must be taken into account when determining planning applications. New and existing development should not contribute to, or be put at risk from, pollution or other sources of nuisance or intrusion which could adversely affect local amenity.

- 11.2.14 The impacts generated by minerals development and minerals related development will vary according to the location and the nature of the development proposed. Issues that will need to be considered in respect of any planning application include the local topography; proximity to, and compatibility with, other surrounding land uses and the degree to which any adverse impacts on sensitive receptors¹⁴⁶ are capable of being mitigated.
- 11.2.15 In line with national planning policy and guidance, all proposals for minerals development and minerals related development should ensure that any unavoidable noise, dust and particle emissions and any blasting vibrations/impacts from air-over pressure are suitably controlled, mitigated or removed at source. Appropriate measures to control and mitigate potential noise impacts can include the establishment of appropriate noise limits for minerals extraction and related activity at identified noise sensitive properties; the use of noise suppression equipment on plant and machinery or restrictions on site operating hours. Further guidance on noise assessment for minerals development is provided within PPG¹⁴⁷ and the Explanatory Note of the Noise Policy Statement for England (NPSE)¹⁴⁸. British Standard BS4142:2014+A1:2019: Methods for rating and assessing industrial and commercial sound (June 2019) also provides detailed information on how to rate and assess industrial and commercial sound.
- 11.2.16 Quarries can generate significant dust emissions associated with blasting and the handling, movement and processing of minerals within sites as well as on the surrounding highway network. Quarry plant and the movement of minerals to market by road can also generate carbon emissions. All proposals will need to demonstrate that they will not have an adverse impact on air quality through either dust deposition or emissions to air. Where necessary, applications will be required to include an assessment of the likely impacts of dust on air quality during the construction, operation and restoration phases of the development. It is expected that this should include details of appropriate mitigation measures such as the use of dust suppression equipment, the temporary suspension of dust-causing activities during unfavourably dry or windy conditions and the use of road sweepers and wheel-washing equipment to limit the spread of dust or mud off-site.

¹⁴⁶ Sensitive receptors can vary depending on whether the impact is visual, noise or dust related but typically include dwellings, retirement/care homes, hospitals, schools, tourist accommodation etc

¹⁴⁷ PPG - Minerals, Paragraph 020 onwards, Reference ID: 27-020-20140306 (March 2014)

¹⁴⁸ [Noise policy statement for England - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/392222/noise-policy-statement-for-england.pdf)

Dust monitoring may need to be carried out where dust generating activities are to be carried out close to nearby sensitive properties. Sensitive properties can include dwelling houses, hospitals and schools, but can also include other buildings e.g. dust sensitive businesses or heritage assets or museums with collections that are sensitive to dust. Dust sensitive properties will need to be identified on a case-by-case basis. Careful design of quarry site layout, maintenance and operations, as well as sustainable modes of transport, can all assist in reducing emissions to air. Further information about air quality assessment is set out in PPG¹⁴⁹.

- 11.2.17 Quarry blasting can result in impacts such as vibration and air-over pressure. HGV movements can also cause vibration. These have the potential to impact on local amenity and safety. Proposals will be expected to demonstrate that such impacts are capable of being kept to a minimum using appropriate mitigation measures such as blast design. Blast vibration limits may be imposed and blast monitoring undertaken where development is proposed close to neighbouring properties. Further guidance on the effects of blast vibration and appropriate upper limits can be found in the following publications: British Standard BS6472-2:2008, Guide to Evaluation of Human Exposure to Vibration in Buildings Part 2: Blast-Induced Vibration; and British Standard BS7385-2: 1993 Evaluation and measurement for vibration in buildings – Part 2: Guide to damage levels from groundborne vibration. Whilst PPG¹⁵⁰ indicates that the environmental effects of blast vibration should be considered, it does not offer any specific guidance, either on assessment methodology or allowable limits.
- 11.2.18 Minerals development and minerals related development can have the potential to lead to impacts associated with emissions to air through the use of quarry plant and machinery, the use of HGVs to transport mineral products from site the use of kilns and cement plants. Certain forms of mineral development can also result in the release of greenhouse gases into the atmosphere. This can be directly e.g. through the flaring of waste gas for safety reasons or indirectly, due to the design of a facility. Dependent on the type of mineral development proposals, overall responsibility for regulating such emissions may not fall directly to the MPA, instead coming under the Environmental Permitting regime regulated the Environment Agency. However, paragraph 186 of the NPPF requires planning policies and decisions to sustain and contribute towards compliance with relevant limit

¹⁴⁹ PPG, paragraph 005 onwards, reference ID 32-005-20191101 (November 2019)

¹⁵⁰ PPG-Minerals, paragraph 013 Reference ID:27-013-20140306 (March 2014)

values or national objectives for pollutants, taking into account the presence of Air Quality Management Areas and Clean Air Zones, and the cumulative impacts from individual sites in local areas. Proposals for minerals development and minerals related development will be expected to demonstrate that they would not result in adverse impacts associated with emissions to air and be compliant with any local air quality action plan. Opportunities to improve air quality or mitigate impacts should be identified. Further information about air quality assessment is set out in PPG¹⁵¹.

- 11.2.19 Minerals development and minerals related development can involve the storage of pollutants such as fuels or explosives. Inappropriate storage of these substances could result in ground contamination and pollution of ground and surface waters. Other activities at quarries, such as the storage of silt resulting from dewatering operations could also result in pollution to watercourses. Mineral workings can also take place on previously contaminated land or, in the case of coal or hydrocarbons, act as a contaminant themselves. Proposals will be expected to demonstrate that they would not result in ground contamination or water pollution. Where the use and storage of potential sources of pollution are proposed, the likely pathways through which contamination could travel and any receptors (people and environmental) which may be affected should be identified and mitigation measures, including containment, appropriate storage and management, should be provided. These issues might also be required as part of the Environmental Permitting regime which is separate to the planning process and regulated by the Environment Agency. Where an Environment permit is required, developers should engage with the Environment Agency at the earliest opportunity. Twin tracking of the permit and planning application processes is encouraged as it can ensure all regulatory regimes are being assessed at the same time.
- 11.2.20 Proposals should provide evidence to demonstrate that mineral workings have been designed to protect the stability of land and prevent landslip both within the site and on adjoining land. Where land instability is likely to be an issue, a geotechnical report should be provided setting out appropriate measures, including appropriate designed quarry slopes and tip slopes, proposed methods of working etc to ensure the continued stability and integrity of any slopes and to ensure the risk of instability is kept to a minimum. Where risks of instability cannot be adequately mitigated, there

¹⁵¹ PPG, paragraph 005 onwards, reference ID 32-005-20191101 (November 2019)

may be a need to leave some parts of the site unworked, or to allow for margins within or around the site. Parts of the Plan area have been subject to extensive underground working which has resulted in subsidence issues. Subsidence generally occurs through a loss of support beneath the ground and is more likely to occur where underground working has taken place or as a result of the underlying geology. Advice on how to ensure that development is suitable to its ground condition and how to avoid risks caused by unstable land or subsidence can be found in PPG¹⁵²

- 11.2.21 The Coal Authority has identified a number of Development High Risk Areas¹⁵³ where past coal mining activities have led to a higher likelihood of land instability issues. In these areas, development proposals (other than those identified on the Development High Risk Exemptions list), will be required to be accompanied by a Coal Mining Risk Assessment. The Coal Mining Risk Assessment should identify the site-specific coal mining risks, the risks these pose to new development, the mitigation measures required and how coal mining issues have influenced the proposed development scheme. In the ‘Low Risk Areas’ there is no requirement to provide a Coal Mining Risk Assessment but the relevant standing advice from The Coal Authority will be applicable. Proposals for hydraulic fracturing in former coalfield areas which have been extensively mined for coal have the potential to exacerbate existing issues associated with subsidence and land instability. In line with the requirements of Policy SP16: The Supply of Conventional and Unconventional Oil and Gas, the MPA will require applicants to establish the extent of geological faulting in an area and/or the location of past coal seams or other mining activity to protect the integrity of the geological structure and reduce the likelihood of induced seismicity, particularly where hydraulic fracturing is proposed.
- 11.2.22 Visual impacts associated with minerals development and minerals related development will be dependent on the duration, scale and nature of the development proposed as well as the sensitivity of its surrounding environment. All proposals should be designed to ensure that they are located in the least visually sensitive location possible and include measures to minimise any potential visual impacts. Such measures could include the colour and location of buildings and fixed processing plant or the location and height of stockpiles. Landscape treatments such as rollover slopes or additional screen planting, as appropriate, may also assist in minimising

¹⁵² PPG, Paragraph 001, Ref ID: 45-001-20190722 onwards (July 2019)

¹⁵³ [Planning applications and Coal Mining Risk Assessments - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/674422/PPG-001-20190722-onwards.pdf)

visual impacts. Further guidance on assessing the likely landscape and visual impacts of development has been published by the Landscape Institute in collaboration with the Institute of Environmental Management and Assessment (IEMA)¹⁵⁴.

- 11.2.23 Minerals development and minerals related development can result in negative impacts associated with flooding. Unless appropriately designed and sited minerals related development, soil and overburden mounds and stockpiles can reduce flood storage capacity and interrupt flood conveyance routes, excavations close to river corridors can impact on natural flood processes. Hard surfaced areas and haul roads could also result in more localised issues with surface water flooding. In line with the requirements of the NPPF and Policy DM8: Water Management and Flood Risk, all proposals will be expected to ensure that they are designed to minimise flood impacts, either at the site or elsewhere. Guidance on how to assess flood risk and how to design development proposals accordingly can be found in Planning Practice Guidance¹⁵⁵. Further information is also set out in respect of Policy DM8: Water Management and Flood Risk below.
- 11.2.24 The use of external lighting in quarries can result in light pollution during periods of darkness. This can affect the amenity of local communities, be harmful to wildlife and detract from the enjoyment of the countryside and the night sky. It can also affect the setting of heritage assets, especially if the asset is experienced at night or is floodlit. The effects of light pollution can be mitigated through restricting hours of use, adjusting the height and angle of lighting and using shields and guidance, such as that from the Institute of Lighting Professionals Guidance Notes for the Reduction of Obtrusive Light¹⁵⁶), should be considered before submitting an application. The circumstances where a lighting assessment may be required will be dependent on the scale and location of a proposal and the sensitivity of the surrounding area. Proposals located in the open countryside, close to heritage assets or where they may result in an adverse effect on biodiversity or which are in close proximity to residential dwellings that could result in an adverse effect on local amenity will normally be required to include a lighting assessment.

¹⁵⁴ Landscape Institute/Institute Environmental Management and Assessment document '*Guidelines for Landscape and Visual Impacts Assessment*' 3rd edition (2013)

¹⁵⁵ PPG, paragraphs 001- 080 Reference ID: 7-001-20220825 onwards (August 2022)

¹⁵⁶ [Guidance Note 1 for the reduction of obtrusive light 2021 | Institution of Lighting Professionals \(theilp.org.uk\)](https://theilp.org.uk)

- 11.2.25 The movement of heavy goods vehicles to and from quarry sites can result in increases in traffic and congestion, damage to roads and their verges, vibration, noise, dust and mud. Perceived risks to human safety can also occur, particularly on rural roads with no pedestrian footway or close to areas of population. Such impacts can be mitigated through control of vehicle routing and numbers; hours of operation; the sheeting of lorries; wheel cleaning facilities; and highway improvements and maintenance. Some of these measures may need to be secured via planning obligation, particularly where they relate to matters outside the development site.
- 11.2.26 In specific circumstances, proposals for minerals development or minerals related development close to residential property or other sensitive receptors may not provide adequate protection. In such cases, it may be justified to consider adequate separation distances. Any such distance should be effective but reasonable, taking into account: the nature and duration of the activity proposed; the need to avoid undue sterilisation of mineral resources; location and topography; the characteristics of the various environmental effects likely to arise; and the various mitigation measures that can be applied. Notwithstanding this, operations in proximity to residential property may be necessary where there are clear, specific achievable objectives such as the removal of instability and preparing land for subsequent development. Such operations should be for a limited and specified period, without scope for extension.

CRITERIA FOR ASSESSING THE BENEFITS OF MINERALS DEVELOPMENT

- 11.2.27 National policy states that it is essential that there is a sufficient supply of minerals to provide the infrastructure, buildings, energy and goods that the country needs¹⁵⁷. It goes on to say that, when determining planning applications, great weight should be given to the benefits of minerals extraction, including to the economy¹⁵⁸. The exception to this is in relation to the extraction of coal, which, it says, should not be granted planning permission unless it is environmentally acceptable or, if not, then it provides national, local or community benefits which outweigh its likely impacts

¹⁵⁷ Paragraph 209, revised NPPF, July 2021

¹⁵⁸ Paragraph 211, revised NPPF, (July 2021)

(taking all relevant matters into account, including any residual environmental impacts)¹⁵⁹.

- 11.2.28 In line with the requirements of the NPPF, with the exception of proposals for coal extraction (where environmental acceptability must be established prior to assessing any benefits that a development proposal might bring), the benefits of proposals for mineral extraction will be given great weight in the decision-making process and balanced against any environmental effects, including environmental harm, in accordance with the other policies of the Plan.
- 11.2.29 Where proposals are for coal extraction, the weight to be attached to any potential benefits will be assessed on a case-by-case basis in line with the requirements of Policy SP15: Coal and Colliery Spoil Disposal. As set out in Policy SP15, only sub-paragraphs 2 and 3 of policy DM2 will apply. More information on proposals for coal extraction and the disposal of colliery spoil is set out in Chapter 8.1.

POLICY DM2: CRITERIA FOR ASSESSING THE BENEFITS OF MINERALS DEVELOPMENT PROPOSALS

- 1) With the exception of development proposals involving coal extraction, the MPA will give great weight to the benefits of minerals extraction.**
- 2) In assessing the benefits of all proposals for minerals development, including coal extraction, consideration will be given to the following matters:**
 - a) The economic benefits of maintaining a steady and adequate supply of mineral to meet national, sub national and local need, including contributions to economic growth, maintaining existing employment and the creation of new employment opportunities either directly or indirectly as a result of the proposal;**
 - b) The relinquishment of historic mineral planning permissions in Sensitive Areas¹⁶⁰;**

¹⁵⁹ Footnote 71 and paragraph 217, NPPF (July 2021).

¹⁶⁰ For the purposes of this Plan, the term sensitive areas will reflect the definition set out in Regulation 2: Interpretation of the Town and Country Planning (Environmental Impact Assessment)

- c) The sustainability benefits associated with the conservation of minerals resources of local and national importance through the prioritisation of the provision of recycled and secondary aggregates;**
- d) Environmental enhancements to the site and its surrounding area, including the delivery of enhancements to the historic environment and/or heritage assets, biodiversity net gain, the enhancement of landscape character, ecological networks and natural capital and enhanced public access within the Plan area, through the appropriate restoration and after-use of the site;**
- e) The avoidance of a mineral resource being sterilised by non-mineral development or in the case of prior extraction, the contribution this can make to enabling a non-mineral development taking place;**
- f) The contribution towards the reclamation of areas of derelict or contaminated land and/or the remediation of legacy issues associated with historic mineral working;**
- g) The extent to which the proposal is consistent with meeting carbon reduction targets specified in national and local carbon budgets through the use of sustainable technologies, climate change adaptation and mitigation measures (during both the operational and restoration phases), carbon off-setting or other appropriate mechanism;**
- h) The extent to which the proposal would assist in reducing flood risk or contributing towards flood alleviation measures;**
- i) The use of rail transport, water transport, conveyors and pipelines where these methods are used instead of road transport; and**
- j) Community benefits where they can be demonstrated to be necessary and directly related to the development.**

Regulations 2017 and will include land notified under section 28(1) (Sites of Special Scientific Interest) of the Wildlife and Countryside Act 1981; the Peak District National Park; the Derwent Valley Mills World Heritage Site; a Scheduled Monument within the meaning of the Ancient Monuments and Archaeological Areas Act 1979; and a European Site within the meaning of The Conservation of Habitats and Species Regulations 2017.

- 3) Other benefits that are not listed in (2) above but which are considered material planning considerations relevant in respect of a proposal will be considered on a case-by-case basis where evidence of these other benefits can be provided in support of a planning application.**

REASONED JUSTIFICATION

- 11.2.30 In addition to providing a steady supply of minerals, minerals development can also bring other, sometimes significant, social, economic and environmental benefits including employment opportunities, the reclamation of contaminated/derelict land and the delivery of environmental enhancements, including significant biodiversity net gain, improved public access and enhanced flood alleviation measures.
- 11.2.31 Policy DM2 seeks to identify the key matters or benefits that will be given weight when determining planning applications within the Plan area for minerals development. The criteria set out in Policy DM2 are not intended to be an exhaustive list of the benefits of minerals extraction and the MPA acknowledges that other benefits, specific to an individual proposal, may exist. Where an applicant puts forward other benefits which are not listed in Policy DM2, they will be considered by the MPA where they are material planning considerations and are directly relevant to the proposal.
- 11.2.32 The Plan area contains a number of historic mineral planning permissions, mostly dating from the 1950s to 1970s, that are located on land which has subsequently been recognised as being environmentally sensitive due to its importance for nature conservation or the historic environment. Many of these sites were registered as ‘dormant’ as a requirement of Schedule 13 of the Environment Act 1995 and haven’t been actively worked since the early 1980s. Where proposals for new quarry sites, or extensions to existing quarry sites come forward, the MPA will seek to negotiate with applicants the relinquishment of any historic mineral planning permissions in their ownership where they are located in a sensitive area and/or close to the application site.
- 11.2.33 In line with the requirements of Policy SP2: Climate Change, all proposals will be expected to demonstrate how they will assist in reducing carbon emissions and incorporate climate change adaptation and mitigation measures.

TRANSPORT

- 11.2.34 Minerals development and minerals related development can generate large volumes of HGV traffic which can adversely impact local communities through noise, dust, vibration and air pollution. Increased levels of traffic can also result in damage to the highway, increase levels of greenhouse gas emissions impacting on climate change and cause potential safety issues and issues of severance for other users of the highway. In order to ensure that such impacts are kept to a minimum, the Plan seeks to encourage more sustainable forms of transport.

POLICY DM3: TRANSPORT

Proposals for minerals development and minerals related development should seek to maximise sustainable modes of transport, including rail, barge, conveyor and pipeline. Proposals should also seek to maximise measures to reduce emissions through the use of efficient logistics, low carbon fuels and vehicles to extract and transport the mineral to market.

Applications should be accompanied by a Transport Assessment (TA) or Transport Statement (TS), proportionate to the scale and nature of the development proposed, identifying the likely predicted transport issues in order to understand their impact on existing transport networks and a travel plan in order to demonstrate how these impacts will be mitigated.

Proposals for new minerals development and minerals related development utilising road transport will only be supported where it can be demonstrated that:

- 1) Road transport is the only practicable or environmentally preferable alternative;**
- 2) Proposed access arrangements would not have any significant adverse impacts on highway safety, air quality including carbon emissions, local and residential amenity, the environment or the effective operation of the highway network;**
- 3) The highway network is of an appropriate standard for use by the traffic generated by the development or can be suitably improved.**

All proposals will be expected to provide details, proportionate to the scale of the development, of proposed climate change adaptation and mitigation measures required to reduce or offset carbon emissions generated by vehicle movements associated with the development, consistent with national and local carbon budgets and targets. Information provided will be expected to include internal quarry traffic as well as off-site traffic movements.

In order to ensure these requirements are met and maintained, developments may be subject to the completion of appropriate planning obligations relating to signage, traffic routing, any necessary improvements to the highway or climate change adaptation and mitigation measures where these cannot be secured by planning condition.

REASONED JUSTIFICATION

- 11.2.35 The NPPF¹⁶¹ requires that, in order to help reduce congestion and emissions, improve air quality and public health, significant development should be focused on locations which are or can be made sustainable, through limiting the need to travel or by offering a choice of transport modes. It acknowledges that opportunities to maximise sustainable transport solutions will vary between urban and rural areas. Specifically, with regard to minerals, the NPPF¹⁶² says that MPAs should ensure that permitted or proposed operations do not have unacceptable adverse impacts on the natural and historic environment or human health.
- 11.2.36 Two Local Transport Plans (LTP) have been produced for the Plan area, both covering the period 2011 to 2026. They are the Derbyshire Local Transport Plan 3 2011-2026 (April 2011) and the Derby Local Transport Plan, LTP3 2011-2026. Both LTP share a common set of goals which can be summarised as: supporting a resilient local economy; tackling climate change; contributing to better safety, security and health; promoting equality of opportunity; and improving quality of life and promoting a healthy natural environment.
- 11.2.37 Minerals can only be worked where they are found and this can often be in a remote location, away from the strategic road network or other transport

¹⁶¹ Paragraph 105, revised NPPF, July 2021

¹⁶² Paragraph 210(f) revised NPPF, July 2021

links. As a consequence, whilst some sites do export via rail, the majority of minerals extracted in the Plan area are currently transported to market by road.

- 11.2.38 In order to minimise overall transport distances, as well as the potential for adverse impacts on local communities, proposals for minerals development and minerals related development should be located as close to their end markets as possible. The MPA acknowledges, however, that this is not always possible, particularly where the site is needed to supply a regional or national market. In these circumstances, alternative, more sustainable forms of transport, such as rail freight, should be considered. All planning applications for minerals development and minerals related development will be expected to demonstrate that potentially more sustainable non-road based options for transporting minerals have been considered. Where such options have been discounted, proposals will be expected to demonstrate the reasons for doing so, why road transport is the preferred option and whether there is potential for future review during the lifetime of the development. Applicants will be encouraged to consider the use of sustainable haulage practices such as promotion of the Fleet Operator Recognition System (FORS), or equivalent; back-hauling; the adoption and promotion of low emission HGV fuel choices e.g. hydrogen and electric and infrastructure as the technology develops. Proposals should also consider sustainable travel to work modes such as secure and covered cycle and e-scooter parking, providing electric vehicle (EV) charging points or car share schemes.
- 11.2.39 The MPA recognises that more sustainable, non-road transport options such as rail, pipeline, conveyor and barge can potentially generate adverse environmental impacts, or give rise to other land use issues, themselves. For example, conveyors can be noisy and unsightly, particularly where they are located above ground or travel for long distances. In some instances, they may also require significant amounts of fuel to operate. Rail freight requires a feasible connection to the existing railway network as well as sufficient space to create new sidings and other infrastructure such as hoppers, silos and lifting equipment. Careful consideration therefore needs to be given to the appropriate siting and use of alternative, more sustainable, modes of transport where they are proposed. In considering proposals for minerals development and minerals related development where more sustainable modes of transport are proposed, the MPA will assess the benefits on a case-by-case basis.

- 11.2.40 Where road traffic is unavoidable every effort should be undertaken to avoid residential and minor roads. It would not be desirable to allow proposals which could exacerbate any existing transport impacts or create unacceptable new impacts. The transport implications of the proposed development will be taken into account including the suitability of the road network to accommodate the traffic that would be generated and the effect on highway safety.
- 11.2.41 All proposals should be accompanied by a Transport Assessment (TA) or Transport Statement (TS), proportionate to the scale and nature of the development proposed, identifying the likely predicted transport issues and what measures will be needed to manage those issues. Such measures may include, but are not limited to, works to improve junction visibility or vehicle capacity, the use of routeing agreements to control traffic movement and direct vehicles away from sensitive areas such as residential areas or important habitats, or improvements to the existing transport infrastructure. A travel plan will also be required, setting out how any impacts will be mitigated. Guidance relating to the production of transport assessments as well as the environmental impacts of transport is set out in PPG¹⁶³.
- 11.2.42 Applicants are encouraged to undertake pre-application discussions with the relevant Highway Authority which, dependent on a site's location within the Plan area, would be Derby City Council or Derbyshire County Council for the local highway network and Highways England for the Strategic Road Network), to establish whether a TA is required, and, if so, the scope of the assessment required to consider the transport and related environmental impacts of the proposed development.
- 11.2.43 Where proposals involve the transport of minerals via rail or barge, early engagement with the relevant statutory consultee such as Network Rail, the Canal and Rivers Trust, or the Environment Agency is advised.
- 11.2.44 Pipelines can be used to transport minerals underground. Most obviously this could be the export of oil and gas for further processing or direct to market. However, they could also be used to bring water to a site (where large volumes of water would be required as part of the development) or to transport mineral tailings (in the form of a slurry) away from site for final disposal. In the past they have also been used to import restoration materials directly from their point of origin. Dependant on their scale and nature, some

¹⁶³ PPG, paragraph 001 onwards, Reference ID: 42-001-20140306 (March 2014)

pipelines may also be considered a Nationally Significant Infrastructure Project (NSIP) requiring a Development Consent Order. Where that is the case the Planning Inspectorate would be responsible for determining the application.

- 11.2.45 Where the MPA considers that the road network is inadequate for the amount or type of movements associated with a development proposal, legal agreements will be sought to achieve appropriate improvements to mitigate the adverse impacts. Pre-commencement condition surveys of the highway may be required to enable the MPA to accurately monitor direct impacts of increased HGV use associated with a development on the surrounding highway network and, where appropriate contribute to the maintenance of the highway network. Where necessary, routeing agreements will also be used to ensure that adequate/appropriate routes are used to prevent unacceptable adverse impacts on local communities. The developer may also be required under S278 and S38 agreements of the Highways Act 1980 to make alterations to the highway network..

LANDSCAPE

- 11.2.46 The Plan area is characterised by its diverse landscapes, some of exceptional quality and natural beauty, ranging from the upland moors of the Peak District to the expansive floodplains of the Trent Valley. Parts of the Plan area have also been subject to significant levels of past human activity, including the exploitation of minerals or heavy industry, which has resulted in those landscapes becoming fragmented through loss of its intrinsic character. Such diversity is largely a result of the varied underlying geological conditions that also make the Plan area mineral resource rich and, as a consequence, mineral extraction has been widespread throughout.
- 11.2.47 Landscape can also be valued for more than its natural beauty, providing habitats for wildlife and evidence of historic activity. It also has a social and community value, providing space for recreation and exercise as well as an economic value, providing the context for economic activity and often being a central factor in attracting business and tourism.
- 11.2.48 The scale and nature of mineral development and minerals related development means it can have both temporary and permanent impacts on existing landscapes, depending on the type of mineral, how sites are worked and subsequently restored. Landscape features such as trees, hedgerows or drystone walls, water bodies and footpaths might be altered and new landforms are likely to be created. Whilst such changes have the potential to

be harmful to landscape character, carefully designed mineral development can also result in positive changes, providing the opportunity to repair fragmented landscapes and enhance wider views or local landscape character and distinctiveness.

POLICY DM4: LANDSCAPE

Proposals for minerals development and minerals related development should seek to protect and enhance the character, quality or sensitivity of the landscape or important features or views, or other perceptual qualities such as tranquillity. Development that would have an unacceptable impact on the landscape will only be supported where it can be demonstrated that there is no reasonable alternative; the benefits of the development clearly outweigh the impacts and appropriate landscape mitigation is provided.

All proposals will be expected to be accompanied by information, in the form of a Landscape and Visual Impact Assessment, sufficient to understand the impacts of the development on landscape character, historic landscape character, visual amenity and landscape sensitivity having regard to the content of the relevant local landscape character assessment, historic landscape characterisation (where available) and supporting technical documents and contribute, where appropriate, to the conservation and enhancement, or restoration and recreation of the local landscape.

Proposals located within the setting of the Peak District National Park will also be expected to be sensitively located and designed, having regard to the content of any relevant landscape strategies, to avoid or minimise adverse impacts on the National Park.

Proposals located within the Lower Derwent, Lower Dove and Trent Valleys will be expected to have regard to the requirements of Policy SP19: Restoration of Sand and Gravel Sites in the River Valleys.

Proposals for minerals development and minerals related development will be expected to balance their economic need/value against any landscape/visual harm to the wider landscape and any subsequent harm that that may have to its enjoyment and the wider visitor economy.

REASONED JUSTIFICATION

- 11.2.49 National planning policy¹⁶⁴ seeks to conserve and enhance the natural and local environment. In landscape terms this should be achieved through the protection and enhancement of valued landscapes, recognising the intrinsic character and beauty of the countryside. Great weight is also given to conserving and enhancing landscape and scenic beauty in national parks, and development in their setting should be sensitively located and designed to avoid or minimise adverse impacts¹⁶⁵. In order to implement this policy, both mineral working and restoration schemes should be informed by the landscape character of the area, ensuring that the schemes fit into, respect and connect with the surrounding landscape.
- 11.2.50 Landscape and, in the case of Derby City, townscape character assessments, have been produced which cumulatively cover the entire Plan area. A further landscape character assessment has also been produced by the Peak District National Park Authority¹⁶⁶. The Landscape Character of Derbyshire¹⁶⁷ has identified ten broad National Character Areas (NCAs) – Dark Peak; White Peak, Derbyshire Peak Fringe and Lower Derwent; Nottinghamshire, Derbyshire and Yorkshire Coalfield; Southern Magnesian Limestone; Needwood and South Derbyshire Claylands; Trent Valley Washlands; Melbourne Parklands; Leicestershire & South Derbyshire Coalfields and Mease-Sence Lowlands - each of which includes a number of smaller Landscape Character Types (LCTs) each with its own landscape characteristics. The document also provides woodland and tree planting, landscape management and habitat creation guidance appropriate to the each LCT.
- 11.2.51 The documents are intended to be used as guidance to assist developers to identify and, ultimately, design development proposals that include appropriate mitigation measures and restoration schemes, based on locally distinctive landscape features and elements.
- 11.2.52 Historic landscape characterisation work has been undertaken for parts of the Plan area. It is currently held as a series of GIS datasets which can be

¹⁶⁴ Paragraph 174, revised NPPF, July 2021

¹⁶⁵ Paragraph 176 of revised NPPF, July 2021

¹⁶⁶ [Landscape Strategy: Peak District National Park](#)

¹⁶⁷ The Landscape Character of Derbyshire, 4th edition, Derbyshire County Council (December 2013) [Introduction \(derbyshire.gov.uk\)](https://www.derbyshire.gov.uk/)

accessed through the Derbyshire Historic Environment Record. Further guidance on historic landscape character assessments can also be found on the Historic England website.¹⁶⁸

- 11.2.53 National planning policy does not define what is meant by the term ‘valued landscapes’. However, as set out in paragraph 11.2.47 above, landscape (and the wider countryside in general) is often valued for reasons other than its natural or aesthetic qualities, even where the landscape would be considered fragmented or not of exceptional quality. These can include ‘perceptual qualities’ such as its sense of wildness, remoteness, dark skies or tranquillity; the opportunities it provides to local communities and visitors to the Plan area for health, outdoor recreation and emotional and physical wellbeing; its importance to biodiversity and locally distinctive ecological networks; and evidence of historic human activity and influence. Derbyshire County Council has produced two technical support documents, relating to Areas of Multiple Environmental Sensitivity and Tranquillity¹⁶⁹ which, working within the established framework of landscape character types, have been designed to enable the adoption of an holistic approach to identify those areas of landscape of ‘multiple environmental sensitivity’ relating to ecology, the historic environment, and visual unity. Similar work has been undertaken for Nottinghamshire.
- 11.2.54 The Plan area contains a number of large quarries that are either located close to or cross the administrative boundary of the Peak District National Park. For development proposals located within the setting of the Peak District National Park, national policy¹⁷⁰ requires development located in the setting of a national park to be sensitively located and designed to avoid or minimise adverse impacts to that designation. In exercising any of its functions, including planning matters, Part III, paragraph 62, of the Environment Act 1995 places a duty on local authorities to have regard to the purposes for which National Parks are designated, stating that, where there appears to be a conflict between those purposes, it shall attach greater weight to the purpose of conserving and enhancing the natural beauty, wildlife and cultural heritage of the National Park. Proposals for mineral development or minerals related development located within the setting of the Peak District National Park will be required to give consideration to the

¹⁶⁸ [Historic Landscape Characterisation: a Tool for Understanding and Managing Whole Areas | Historic England](#)

¹⁶⁹ Technical Support Document 1: Areas of Multiple Environmental Sensitivity, Derbyshire County Council, (2013), and Technical Support Document 2: Tranquillity, Derbyshire County Council, (2013).

¹⁷⁰ Paragraph 176, revised NPPF, July 2021.

specific landscape sensitivities of the National Park, or any other feature or attribute which makes up its special quality and sense of place. When designing proposals in such locations, applicants should give consideration to the flow of landscape character across and into the National Park boundary. In addition to the Landscape Character of Derbyshire, consideration should also be given to the Peak District National Park Landscape Strategy and European Landscape Convention Action Plan¹⁷¹.

- 11.2.55 Landscapes within the Plan area, particularly around the Peak District and the Derwent Valley, are also of significant importance to tourism, generating millions of pounds for the local economy. Proposals for minerals development and minerals related development will be expected to balance their economic need/value against any landscape/visual harm to the wider landscape and any subsequent harm that that may have to its enjoyment and the wider visitor economy.
- 11.2.56 It is recognised by the MPA that some landscapes in the Plan area are already at significant risk of harm, either through the legacy of past industry and development or as a result of current development pressures for new housing, employment land and transport infrastructure. The Trent Valley, both in the Plan area and in adjacent counties including Nottinghamshire and Staffordshire, which has long been a focus for the exploitation of its sand and gravel resources, is under particular threat. The Plan therefore seeks to adopt a strategic approach to restoration through the preparation of a Supplementary Planning Document setting out a strategy for the restoration of sand and gravel sites in the River Valleys, as set out at Chapter 10.
- 11.2.57 To ensure that new minerals development and minerals related development considers existing landscapes and visual impact, a landscape and visual impact assessment, proportionate to the scale and nature of the proposal, will be required for all proposals to identify potential impacts on the surrounding areas. All proposals for the restoration of minerals sites, such as earthworks, after-use and planting, should reflect the landscape character type and national character area as well as taking into account those other qualities for which landscape is valued. Further guidance on how to undertake landscape and visual impact assessments (LVIA) is contained in PPG¹⁷² and in the following Landscape Institute/Institute Environmental

¹⁷¹ [Landscape Strategy: Peak District National Park](#)

¹⁷² PPG, paragraph 036, Reference ID: 8-036-20190721 (July 2019)

BIODIVERSITY AND GEODIVERSITY

- 11.2.58 The Plan area contains a rich and diverse range of biodiversity and geodiversity assets. In addition to the locally distinct range of flora and fauna within the Plan area, biodiversity can bring other environmental and socio-economic benefits, including carbon sequestration, health and well-being and tourism. It is essential, therefore, that proposals for minerals development and minerals related development are appropriately managed to ensure that sites of biodiversity and geodiversity value are protected and enhanced.

POLICY DM5: BIODIVERSITY AND GEODIVERSITY

Proposals for minerals development and minerals related development should seek to protect and enhance the nature conservation interest by ensuring that they do not give rise to unacceptable adverse impacts on biodiversity and geodiversity and by providing significant net gains for biodiversity. Proposals for development will be expected to be accompanied by information, in the form of an Ecological Impact Assessment, sufficient to enable a proper assessment of the implications for biodiversity and geodiversity. The information should be appropriate to the scale of the proposed development and proportionate to the level of designation or the habitats/species likely to be affected.

Proposals for minerals development and minerals related development will be supported where it can be demonstrated that significant harm to biodiversity and/or geodiversity can be avoided or, if that is not possible, adequately mitigated and, where applicable, that they would:

- i) not adversely affect, either alone or in combination with other plans and projects, the integrity of any European Site (Natura 2000 sites) unless:
 - a) there are no alternative solutions; and
 - b) there are imperative reasons of overriding public interest; and

c) adequate compensatory measures can be taken to ensure the overall coherence of Natura 2000 is protected.

- ii) avoid harm to any nationally and regionally designated nature conservation sites, such as the Regionally Important Geological Sites (RIGS) or Sites of Special Scientific Interest (SSSI)
- iii) avoid harm to locally designated sites including Local Wildlife Sites (LWS) and Local Nature Reserves (LNR)
- iv) not give rise to the loss or deterioration of irreplaceable habitats or geological/geomorphological networks

The level of protection to be afforded to the nature conservation interest will be commensurate with its level of importance and contribution to wider ecological or geological/geomorphological networks.

Where development proposals do not comply with the above they will only be supported if it has been clearly demonstrated that there is an overriding public need for the proposal which outweighs the need to safeguard biodiversity and/or geodiversity and there is no satisfactory alternative with less or no harmful impacts. In such cases, as a last resort, compensatory measures will be secured to ensure a measurable biodiversity net gain.

Proposals will be supported where they deliver significant and measurable net gains for biodiversity (based on the government's published biodiversity metric) and contribute to the establishment of coherent and resilient ecological networks subject to compliance with other policies in the Plan. In achieving this, all proposals will be expected to have regard to the ecological diversity and distinctiveness of the Plan area. Where necessary, these matters may need to be secured using planning obligations.

REASONED JUSTIFICATION

- 11.2.59 National policy seeks to ensure that planning should contribute to and enhance the natural and local environment by protecting and enhancing sites of biodiversity or geological value (in a manner commensurate with

their statutory status or identified quality)¹⁷³, minimising impacts on, and providing net gains for, biodiversity including through the establishment of coherent ecological networks that are more resilient to current and future pressures¹⁷⁴. Plans should clearly distinguish between the hierarchy of international, national and locally designated sites and promote the conservation, restoration and enhancement of priority habitats, ecological networks and the protection and recovery of priority species; and identify and pursue opportunities for securing measurable net gains for biodiversity¹⁷⁵.

- 11.2.60 The Plan area possesses an extensive network of statutory and non-statutory sites designated for their biodiversity and/or geodiversity interest. The most significant of these, the ‘European sites’ (previously known as Natura 2000 sites), are designated at the international level. European sites are considered to be of exceptional importance in respect of rare, endangered or vulnerable natural habitats and species and include Special Areas of Conservation (SACs) and Special Protection Areas (SPAs). Within the Plan area there are three European sites – Peak District Dales SAC, Peak District Moors SPA and South Pennine Moors SAC, with a further two (Bees Nest & Green Clay Pits SAC and Gang Mine SAC) located within the Peak District National Park. The River Mease SAC is located on the Derbyshire/Staffordshire border. The Birklands and Bilhaugh SPA and the Sherwood Forest potential (pSPA) are in Nottinghamshire.
- 11.2.61 The Conservation of Habitats and Species Regulations 2017 confer specific protection on sites of international importance and any proposal that would be likely to have a significant effect on the integrity of a European site, either alone or in combination with other plans or projects would need to ensure that all impacts can be mitigated. Adverse impacts can result from both direct and indirect effects, especially where there are known functional linkages or pathways to the designated site. National policy¹⁷⁶ makes it clear that these protections apply to candidate sites as well as those that have already been designated. Any development that is not directly connected with the management of any European sites, but likely to have a significant effect on them, will require a Habitats Regulations Assessment to be carried out at the planning application stage to ensure that any such effects can be mitigated.

¹⁷³ Paragraph 174(b), revised NPPF, (July 2021)

¹⁷⁴ Paragraph 174 (d), revised NPPF (July 2021)

¹⁷⁵ Paragraph 179, revised NPPF, (July 2021)

¹⁷⁶ Paragraph 181 (a), revised NPPF, (July 2021)

- 11.2.62 The Plan area also contains, either partially or wholly, a number of sites that are statutorily designated at a national level including over 53 Sites of Special Scientific Interest (SSSIs) which are designated and protected under the Wildlife and Countryside Act 1981, as amended by the Countryside and Rights of Way Act 2000. SSSIs can be notified for their biodiversity or geodiversity interest and the Plan area contains examples of both. The Plan area also has one National Nature Reserve (NNR) at Calke Park in South Derbyshire.
- 11.2.63 In addition to the above, there are over 1400 non-statutory sites within the Plan area including 1196 Local Wildlife Sites (LWS), 52 Local Nature Reserves (LNR) and 198 Regionally Important Geological Sites (RIGS). These sites support and protect habitats, populations of species or geological formations of at least local/County importance or greater. They play a key role in maintaining the ecological networks and corridors found across the County.
- 11.2.64 The Plan area also contains other habitats and species that fall outside the scope of the designated sites identified above but which are conferred protection under Section 41 of the Natural Environment and Rural Communities Act 2006. These are known as Habitats of Principal Importance for Conservation in England and Species of Principal Importance in England and are derived from those species and habitats which were previously included in the UK Biodiversity Action Plan (UKBAP). These, together with LWS, LNRs and RIGs are considered to represent important ecological resources, themselves combining to form part of the natural capital of the Plan area, that occur outside of sites receiving statutory protection and are therefore important material considerations in the determination of planning applications. Derbyshire County Council has recently commenced work on gathering an evidence base to enable it to produce a Natural Capital Strategy and Local Nature Recovery Strategies for the Plan area outside Derby City.
- 11.2.65 National policy¹⁷⁷ also sets out a sequential approach to decision making in respect of biodiversity, the so-called ‘mitigation hierarchy’. This requires, in the first instance, that significant harm from development be avoided (usually through relocating a development proposal to an alternative site with fewer harmful impacts), adequately mitigated, or, as a last resort, compensated

¹⁷⁷ Paragraph 180, revised NPPF, (July 2021)

for. Where this cannot be achieved, then planning permission should be refused.

- 11.2.66 In those circumstances where applicants consider that compensation is the only option, the MPA will expect any proposal to demonstrate that it would: not lead to any net loss of habitat, provide the same or better type of ecological features as those which will be affected with equivalent or enhanced levels of ecological ‘functionality’. Compensation should also be provided as close as possible to the location where the likely impacts will occur and benefit the same habitats and species as those affected. Proposals incorporating ecological compensation should also recognise that, dependant on the type and scale of any habitats and species concerned, these may take a number of years to achieve the quality of the habitats lost.

BIODIVERSITY NET GAIN

- 11.2.67 In addition to the sequential approach, in line with national policy¹⁷⁸ the MPA will expect all proposals for mineral development and mineral related development to deliver significant biodiversity net gain. For the purposes of this plan the MPA considers that ‘significant’ means more than the mandatory minimum of 10% BNG which is likely to be under the Environment Act 2021. Biodiversity net gain delivers measurable improvements for biodiversity by creating or enhancing habitats in association with development and can be achieved on-site, off-site or through a combination of on-site and off-site measures. Alongside enhancing the biodiversity of a site or local ecological networks, biodiversity net gain can also assist in the delivery of some of the strategic and sustainability objectives of the Plan including building natural capital, assisting in adapting and mitigating the effects of climate change, improving flood alleviation measures and increased health and well-being of local communities. In order to achieve this, the MPA will expect applicants to demonstrate that any benefits promised will lead to demonstrable gains for biodiversity for current and future generations, will be resilient to future pressures from further development or climate change and have appropriate maintenance measures in place. Where it is not possible to secure biodiversity net gain through the use of planning conditions, the MPA may seek to secure them using planning obligations.

¹⁷⁸ Paragraph 111, revised NPPF (July 2021)

- 11.2.68 Further guidance on how to achieve biodiversity net gain can be found in PPG¹⁷⁹ and in the following documents: *'Biodiversity net gain. Good practice principles for development. Part A: A practical guide'* (2019) produced by CIRIA¹⁸⁰ and British Standard BS 8683: 2021 *'Process for designing and implementing Biodiversity Net Gain'* (August 2021). The MPA will expect applicants to assess Biodiversity net gain using the Government's published biodiversity metric tool (currently the DEFRA Biodiversity Metric 3.0 but subject to update and refresh) - which is designed to provide a means of assessing changes in biodiversity value brought about by development or changes in land management. The MPA will also be producing a guidance note, designed to accompany the Plan, which will set out its approach to securing Biodiversity Net Gain.
- 11.2.69 To ensure that new proposals for minerals development and minerals related development assess the impacts of biodiversity and geodiversity, an ecological assessment, proportionate to the scale and nature of the proposal, will be required. Further guidance on how to undertake ecological assessment is set out in PPG¹⁸¹ and in the CIEEM document *'Guidelines for Ecological Impact Assessment in the UK and Ireland: Terrestrial, Freshwater, Coastal and Marine'* (2018).

TREES, WOODLAND AND HEDGEROWS

- 11.2.70 Trees, woodland and hedgerows are important landscape features which, in addition to nature conservation, make a valuable contribution to the wider landscape, contribute to the setting of heritage assets and are also of great amenity value to local communities. Trees also play an important role in adapting and mitigating the effects of climate change through carbon sequestration.
- 11.2.71 Minerals development can have the potential to result in the loss of, or damage to, trees, woodland and hedgerows. Such impacts can be a direct result of, but are not limited to, such operations as the creation of new working areas or the use of heavy plant and equipment without appropriate root protection areas being put in place. Mineral development can, however, also make a positive contribution to the creation of new, woodland, hedgerows, and trees during restoration. Works to existing trees and

¹⁷⁹ Paragraph 022 onwards (Ref ID 8-022-20190721), PPG, (July 2019).

¹⁸⁰ 'Biodiversity net gain. Good practice principles for development. Part A: A practical guide' (2019) CIEEM

¹⁸¹ Paragraph 036 onwards (reference ID: 8-036-20190721), PPG, (July 2019)

hedgerows, to strengthen and improve existing linkages and plant specimens or advance planting schemes, are also often undertaken by mineral operators as part of an agreed wider package of works..

POLICY DM6: TREES, WOODLAND AND HEDGEROWS

Proposals for minerals development and minerals related development should seek to protect trees, woodland and hedgerows from loss or damage unless it can be demonstrated that their removal is necessary and appropriate mitigation can be achieved. Proposals for development will be expected to be accompanied by arboricultural information sufficient to enable an assessment of the implications for trees, woodland and hedgerows. Assessments should also identify any trees, woodland and hedgerows of value.

Development that would result in the loss or deterioration of ancient woodland or the loss of aged or veteran trees found outside of ancient woodland will not be supported unless it can be demonstrated that there are wholly exceptional reasons for such losses and a suitable compensation strategy exists.

Where the loss of trees, woodland and hedgerows can be justified, replacement provision will be required which, as a minimum, should be of equivalent quality and quantity to the trees and hedgerows to be lost. All new and replacement woodland, tree and hedgerow planting will be expected to be of a species appropriate to the local character and distinctiveness of the site and appropriately managed to ensure that it reaches full maturity. Where necessary, these matters may need to be secured using planning obligations.

All proposals should contribute to the protection, enhancement, and where possible expansion of woodlands, trees and hedgerows in the area. Wherever possible, trees, hedgerows and woodland of value should be retained and integrated within proposals for development

REASONED JUSTIFICATION

- 11.2.72 National policy requires local plans and planning decisions to contribute to and enhance the natural and local environment by recognising the intrinsic character and beauty of the countryside, as well as the wider benefit, which can include economic and other benefits, derived from trees and

woodland¹⁸². It goes on to say that development resulting in the loss or deterioration of irreplaceable habitats (such as ancient woodland and ancient or veteran trees) should be refused unless there are wholly exceptional reasons and a suitable compensation strategy exists¹⁸³. This issue is dealt with under Policy DM5: Biodiversity and Geodiversity.

- 11.2.73 Section 197 of The Town and Country Planning Act 1990 places a general duty on planning authorities to ensure, whenever it is appropriate, that in granting planning permission for any development, adequate provision is made, by the imposition of conditions, for the preservation or planting of trees. Some hedgerows are given special protection under the Hedgerow Regulations 1997, which prevent the removal of most substantial hedgerows if they are deemed important in terms of their archaeological, historical, landscape or wildlife value and are at least 30 years old. Other hedgerows, whilst not meeting the criteria set out in the 1997 Regulations, are of considerable value for wildlife and do qualify as Habitats of Principal Importance.
- 11.2.74 Where proposals for minerals development and minerals related development are likely to affect trees, woodland and hedgerows, applicants will be required to identify those trees, woodland or hedgerows that may potentially be affected. Removal of trees, woodland or hedgerows should be avoided where possible. Areas identified for woodland conservation or enhancement and trees covered by Tree Preservation Orders (TPOs) will be afforded particular protection. A tree survey will often be required for proposals affecting trees or proposals to fell trees. Where trees, hedgerows or woodland are intended to be lost as part of a proposal, appropriate compensatory planting should be provided as part of the development. The MPA will support new tree and hedgerow planting and new woodland creation where this expands tree cover in the Plan area where it has regard to local distinctiveness.
- 11.2.75 Where necessary, the MPA may seek to secure appropriate management and maintenance regimes for trees, woodland and hedgerows via planning obligation where this is not possible through the imposition of planning conditions

¹⁸² Paragraph 174(b), revised NPPF, (July 2021)

¹⁸³ Paragraph 180(c), revised NPPF (July 2021)

HISTORIC ENVIRONMENT

- 11.2.76 The historic environment is about more than just individual buildings, monuments or sites; it includes places, areas or landscapes that have historic significance and the connections between them. Heritage assets and their settings contribute to sense of place, are valued by communities, and can contribute to the economic prosperity of an area. They are an irreplaceable resource which is vulnerable to damage or loss from development and great weight should be given to their conservation so that they can be enjoyed for their contribution to the quality of life of existing and future generations.
- 11.2.77 Minerals can only be worked where they exist and, as a consequence, there is potential for proposals for minerals development and minerals related development to be located in close proximity to heritage assets, including buried archaeology, or within their settings which may lead to harm to the significance of those assets.

POLICY DM7: HISTORIC ENVIRONMENT AND ARCHAEOLOGY

Proposals for mineral development and minerals related development should seek to conserve and enhance the significance of designated and non-designated heritage assets (including those of archaeological interest) and their settings and, where applicable, the outstanding universal value of the Derwent Valley Mills World Heritage Site. The MPA will place great weight upon the conservation of the significance of designated heritage assets relative to the importance of the heritage asset affected.

Proposals affecting heritage assets and their setting will be expected to be accompanied by a heritage impact assessment or heritage statement, sufficient to understand the significance of the heritage assets and their setting and the magnitude of any direct or indirect impact(s) to that significance and setting from the proposed development. The information should be appropriate to the scale of the proposed development and proportionate to the importance of the heritage asset. Where there is potential for archaeological interest to be present, information should also include an appropriate desk-based assessment and, where necessary, a field evaluation.

Proposals for minerals development and minerals related development will be supported where it can be demonstrated that they would:

- i) avoid causing substantial harm, or total loss of significance to designated heritage assets or undesignated archaeological sites of national importance and their setting. Proposals likely to result in substantial harm, or total loss of significance of, designated heritage assets and their settings will not be supported unless it can be demonstrated that the substantial harm or total loss of significance are necessary to achieve substantial public benefits that outweigh that harm or loss.
- ii) avoid causing less than substantial harm to designated heritage assets or undesignated archaeological sites of national importance. Proposals resulting in less than substantial harm to the significance of designated heritage assets and their settings will only be supported where it can be demonstrated that the public benefit of the development would outweigh the harm to the significance of the heritage assets and their setting.
- iii) avoid causing unacceptable harm, either directly or indirectly, to non-designated heritage assets, including non-designated archaeological sites of less than national importance. Proposals will be assessed according to the scale of any likely harm or loss and the significance of the non-designated heritage asset.
- iv) provide for the enhancement of specific features of the historic environment, including individual heritage assets or historic landscapes, as part of their approved restoration scheme or as part of a wider package of mitigation measures associated with the proposal.

Conditions may be attached to planning permissions to secure an appropriate programme for the investigation and recording of archaeological or built heritage remains prior to and/or during development, or for other mitigation measures including preservation in situ, and for the information thus gathered to be made publicly accessible through subsequent analysis, publication, dissemination and archiving of results. Where it is not possible to control these issues via condition, the MPA will seek to secure them using planning obligations.

REASONED JUSTIFICATION

- 11.2.78 The Planning (Listed Buildings and Conservation Areas) Act 1990 places a duty on planning authorities to have special regard to the desirability of preserving a listed building or its setting (Section 66(1)) and for special attention to be paid to the desirability of preserving or enhancing the character or appearance of a Conservation Area (Section 72).
- 11.2.79 National policy ¹⁸⁴ requires that, when considering the impact of a proposed development on the significance of a designated heritage asset, irrespective of the level of potential harm to significance, great weight should be given to the asset's conservation. It goes on to say that, the more important the asset, the greater the weight should be.
- 11.2.80 The Plan area possesses a significant number of designated heritage assets. The most important of these, the Derwent Valley Mills World Heritage Site, has been inscribed at the international level because of its Outstanding Universal Value. Designated heritage assets at the national level include listed buildings and registered Historic Parks and Gardens, both of which can have Grade I, Grade II* or Grade II status depending on their importance; Scheduled Monuments; and Conservation Areas. The MPA is aware of a further site, Creswell Crags, which is currently on the UK Government's tentative list to become a candidate World Heritage Site.
- 11.2.81 Where a proposal for minerals development or minerals related development is likely to lead to substantial harm to, or total loss of significance of, a designated heritage asset, planning permission will not be granted unless it can be demonstrated that the substantial harm or total loss is necessary to achieve substantial public benefits that outweigh that harm or loss or where all of the following apply:
- a) the nature of the heritage asset prevents all reasonable uses of the site; and
 - b) no viable use of the heritage asset itself can be found in the medium term through appropriate marketing that will enable its conservation; and
 - c) conservation by grant-funding or some form of not for profit, charitable or public ownership is demonstrably not possible; and

¹⁸⁴ Paragraph 199, revised NPPF (July 2021)

- d) the harm or loss is outweighed by the benefit of bringing the site back into use¹⁸⁵.

11.2.82 Where the harm to the significance of a designated heritage asset resulting from minerals or minerals related development is assessed as being less than substantial, the MPA will weigh this against the public benefits of the proposal including, where appropriate, securing its optimum viable use¹⁸⁶.

11.2.83 The Plan area also contains non-designated heritage assets. PPG defines non-designated heritage assets as buildings, monuments, sites, places, areas or landscapes identified as having a degree or heritage significance meriting consideration in planning decisions, but which do not meet the criteria for designated heritage assets¹⁸⁷. When considering development proposals, the MPA is required to take into account the effect of the development on the significance of a non-designated heritage asset. In weighing applications that directly or indirectly affect non-designated heritage assets, the MPA is required to make a balanced judgement having regard to the scale of any harm or loss and the significance of the heritage asset¹⁸⁸. An exception to this approach is made for non-designated heritage assets of archaeological interest which are demonstrably of equivalent significance to scheduled monuments. Under those circumstances, the MPA is required to consider these subject to the policies for designated heritage assets¹⁸⁹

11.2.84 More information about designated and non-designated heritage assets in the Plan area can be found on the Derbyshire Historic Environment Record (HER) at the following link [Home - Derbyshire Historic Environment Record](#), which holds information for the entire Plan area. Detailed information about the Derwent Valley Mills World Heritage Site, including the overarching Statement of Outstanding Universal Value (OUV) and a list of the attributes of the OUV, and the elements of which they are formed, can be found in the 'Derwent Valley Mills World Heritage Site Management Plan 2020-2025'¹⁹⁰

11.2.85 The MPA will assess the need for preservation in situ of archaeological sites and remains against their importance and the impact that their loss would

¹⁸⁵ Paragraph 201, revised NPPF (July 2021)

¹⁸⁶ Paragraph 202, revised NPPF (July 2021)

¹⁸⁷ PPG, paragraph 039 (Reference ID: 18a-039-20190723) July 2019.

¹⁸⁸ Paragraph 203, revised NPPF, (July 2021)

¹⁸⁹ Footnote 68, revised NPPF (July 2021)

¹⁹⁰ [Derwent Valley Mills Management Plan 2020–2025](#)

have upon the overall archaeological resource of the Plan area. Although the preservation of archaeological sites is a primary objective, it is clearly impracticable to preserve them all. Equally, sites should not be destroyed without careful consideration and appropriate mitigation. Where preservation in-situ is not feasible, the MPA will expect sites to be surveyed, excavated or otherwise appropriately recorded. These provisions can only be assessed after the archaeological characteristics of proposed development sites have been evaluated. The MPA will seek to secure these matters via planning condition or, where necessary, planning obligation.

- 11.2.86 Where a development proposal has the potential to affect the significance of a heritage asset, the MPA will expect the planning application to be accompanied by a Heritage Impact Assessment (HIA), proportionate to the scale of the development and importance of the asset likely to be affected. Where an application site is known to include, or has the potential to include, heritage assets with archaeological interest, the MPA will expect the application to include an appropriate desk-based assessment and, where desk-based research is insufficient, to properly assess the interest, a field evaluation. In all instances, and as a minimum, applicants will be expected to consult the Derbyshire Historic Environment Record. Further information regarding the production of a Heritage Impact Assessment is set out in PPG. For proposals either located in, or likely to affect the OUV of the Derwent Valley Mills World Heritage site, it is recommended that the HIA be produced using the guidance and toolkit for impact assessments in a world heritage context set out on the UNESCO World Heritage Convention website¹⁹¹.

WATER MANAGEMENT AND FLOOD RISK

- 11.2.87 Minerals development and minerals related development has the potential to impact upon the flow and quality of surface water features such as rivers, ditches and lakes as well as groundwater movement. It is important, therefore, that these impacts are avoided through good design and management of minerals sites.
- 11.2.88 Climate change is likely to lead to increased and new risks of flooding within the lifetime of planned developments. Minerals development and minerals related development need to be appropriately planned and designed to avoid, reduce and where necessary manage flood risk. However, the

¹⁹¹ [World Heritage Centre - Guidance and Toolkit for Impact Assessments in a World Heritage Context \(unesco.org\)](https://www.unesco.org/whc/guidance).

restoration of existing and new mineral workings in flood risk areas to increase flood water storage and enhance the natural environment can sometimes be beneficial.

POLICY DM8: WATER MANAGEMENT AND FLOOD RISK

Proposals for minerals development and minerals related development will be supported where it can be demonstrated that they would not result in unacceptable impacts on:

- **surface water quality, quantity and flows;**
- **groundwater quality, quantity, levels and flows;**
- **flood flows and conveyance routes, flood storage capacity, the integrity of flood defences and local land drainage systems; or**
- **where development proposals are located close to river corridors, the physical integrity of watercourses through suitable easements between a river bank and the proposed excavation area.**

Proposals will be expected to:

- i) **incorporate flood risk protection, flood resilience measures appropriate to the character and biodiversity of the area and the specific requirements of the site, ensuring that the development would not increase flood risk to the site, or to others.**
- ii) **demonstrate how water quality, both surface and groundwater, will be managed to ensure no deterioration, and where possible enhancement, to help support and meet the wider requirements of the Water Framework Directive.**
- iii) **demonstrate that all phases of development, including restoration, have been designed to enhance the water management of the site and alleviate the risk of flooding in the long-term.**
- iv) **where development proposals are located close to river corridors, provide a site-specific geomorphology assessment to determine the minimum stand-off required between mineral excavations and any watercourse.**

- v) incorporate Sustainable Drainage Systems (SuDS) to manage surface water drainage unless it can be demonstrated that it is impracticable to do so.
- vi) Where practicable, provide for the incorporation of flood risk reduction measures e.g. flood plain storage and reconnection, flood defence structures, and land management practices to benefit local communities, as part of their approved restoration scheme or as part of a wider package of mitigation measures associated with the proposal.

Where it is not possible to control these issues via condition, the MPA will seek to secure them using planning obligations.

REASONED JUSTIFICATION

Flood risk

11.2.89 National policy on flood risk is set out in the NPPF¹⁹². Detailed guidance on assessing flood risk is also set out in PPG¹⁹³. The aim is to steer inappropriate development away from areas at risk of flooding by directing development away from areas at highest risk (whether existing or future) and to reduce the causes and impacts of flooding. It says that where development is necessary in high-risk flood areas, the development should be made safe for its lifetime without increasing flood risk elsewhere¹⁹⁴. The NPPF also sets out a sequential, risk-based approach¹⁹⁵ for assessing appropriate locations for development, based on the indicative Flood Maps prepared by the Environment Agency¹⁹⁶; an Exception Test¹⁹⁷, to assess whether development should be permitted in higher risk areas; and a “hierarchy of options”, to reduce and manage surface water run-off from development sites in high rainfall events¹⁹⁸. Strategic Flood Risk Assessments have been carried out in 2012, 2021 and again in 2022 to inform the preparation of the Plan¹⁹⁹.

¹⁹² Paragraphs 159 – 169, revised NPPF, (July 2021)

¹⁹³ PPG, paragraphs 001- 080 Reference ID: 7-001-20220825 onwards (August 2022)

¹⁹⁴ Paragraph 159, NPPF (July 2021)

¹⁹⁵ Paragraph 161, revised NPPF (July 2021)

¹⁹⁶ [Flood map for planning - GOV.UK \(flood-map-for-planning.service.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/612543/flood-map-for-planning-service.gov.uk)

¹⁹⁷ Paragraphs 163 – 166, revised NPPF (July 2021)

¹⁹⁸ Paragraphs 167 and 169, revised NPPF (July 2021)

¹⁹⁹ Derbyshire County and Derby City Councils SFRA Level 1 Aug 2012, January and December 2022

- 11.2.90 Proposals for minerals development and minerals related development that are not allocated in the Plan which fall in identified areas of flood risk will be required to undergo a sequential test and, where appropriate, the Exception test, before deciding upon a preferred location. However, because minerals can only be worked where they are found, mineral operations are often, by necessity, located in areas at risk of flooding. For this reason, national policy²⁰⁰ classifies minerals working and processing (except for sand and gravel working) as 'Less Vulnerable Development' and sand and gravel working as 'Water compatible development'. As a consequence, minerals development can, subject to appropriate design and management, be permitted within Flood Zones 1, 2 and 3a. Sand and gravel quarries are also appropriate in Flood Zone 3b.
- 11.2.91 Where appropriate, mineral operators should take the sequential approach into consideration when siting ancillary equipment or buildings, which may be vulnerable to flood risk even if the quarrying itself is water compatible, and the design of the phasing of working.
- 11.2.92 As set out in national policy²⁰¹, the MPA will require applicants to produce an appropriate Site Specific Flood Risk Assessment to be undertaken for any development proposal where the following criteria apply:
- All development located within Flood Zones 2 or 3
 - Development proposals over 1 hectare in Flood zone 1;
 - Land which has been identified by the Environment Agency as having critical drainage problems;
 - Land identified in a strategic flood risk assessment (SFRA) as being at increased risk of future flood risk; or
 - land that may be subject to other sources of flooding, where its development would introduce a more vulnerable use.
- 11.2.93 Further information regarding the content of site-specific flood risk assessments is set out in PPG²⁰² and also on the Government website²⁰³.

²⁰⁰ Annex 3: Flood Risk Vulnerability Classification, NPPF (July 2021)

²⁰¹ Footnote 55, revised NPPF (July 2021) and [Flood risk assessments if you're applying for planning permission - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/flood-risk-assessments-if-youre-applying-for-planning-permission)

²⁰² PPG, paragraphs 001- 080 Reference ID: 7-001-20220825 onwards (August 2022)

²⁰³ [Flood risk assessments if you're applying for planning permission - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/flood-risk-assessments-if-youre-applying-for-planning-permission) (February 2017)

- 11.2.94 In the Plan area, a number of different bodies have responsibilities in terms of managing flood risk. The Environment Agency is responsible for managing the risk of flooding from main rivers and reservoirs and prepares national and regional flood risk guidance and strategies. Derbyshire County Council and Derby City Council also each have a statutory role as Lead Local Flood Authority (LLFA) for their respective administrative areas. LLFA are responsible for developing, maintaining and applying a strategy for local flood risk management in their areas and for maintaining a register of flood risk assets. They also have lead responsibility for managing the risk of flooding from surface water, groundwater and ordinary watercourses. When considering proposals for minerals development and minerals related development, the MPA recommends that applicants engage with these bodies at the earliest opportunity.
- 11.2.95 Mineral extraction within floodplains have the potential to temporarily reduce storage capacity, impede flows and therefore increase the risk of flooding elsewhere. Potential obstructions can include soil and overburden mounds and fixed plant. In addition, buildings and hard standing associated with minerals development can lead to an increase in surface run-off and therefore contribute to flooding. Careful site design at the planning application stage will be required to address potential flood issues to ensure that flood risk is not increased on the site or elsewhere. Where possible, buildings and other obstructions should be located in parts of the site a lower risk of flooding.
- 11.2.96 In addition to flooding from watercourses, surface water flooding from rainfall onto hardstandings can occur. Surface water flooding events would normally involve a much smaller volume more local to the site. Where appropriate, Sustainable Drainage Systems (SuDS) capable of storing and controlling the discharge of water, including that arising from surface water flooding should be incorporated into the design of proposals. Wherever possible, SuDS should be designed to deliver multifunctional benefits including biodiversity, amenity and water quality enhancements.
- 11.2.97 When assessing the impacts of minerals development and minerals related development on surface water discharges, the MPA will require applicants to consider both water quality and quantity issues. The primary aim when considering the design of SuDS should be to reduce surface water discharge by appropriate soakaways and other infiltration systems, followed by attenuating (i.e. holding back) high flows of water during heavy rainfall. Discharging (uncontaminated) water to suitable water courses or surface

water sewers are both more sustainable than discharging to combined sewers.

- 11.2.98 The MPA will require development proposals to be accompanied by appropriate management and maintenance regimes for surface water drainage systems. On greenfield sites, applicants will be expected to demonstrate that the current natural discharge solution from a site is at least mimicked. On previously developed land, applicants should target a reduction of surface water discharge.
- 11.2.99 The restoration of mineral workings can also bring multifunctional environmental enhancements, including the minimisation of flood risk to the site and others and enhancement of natural capital both within the site and its surrounding area. The MPA will expect restoration schemes to explore opportunities for delivering wider environmental benefits, including adapting to and mitigating the impacts of future flood risk through site restoration schemes. Appropriate landscaping of a site can also assist in reducing surface water discharge.
- 11.2.100 Restoration schemes involving semi-natural wetland or lake habitats close to river corridors can also potentially impact on the efficacy of natural flood processes, flood defences or other flood alleviation measures. Operators should ensure that restoration schemes are designed to enable natural processes and river-plain interaction to recover following the cessation of mineral extraction operations. The former mineral workings at Attenborough Nature Reserve (located in the Plan area and in Nottinghamshire) provide a good example of a high nature conservation value restoration which also provides significant flooding benefit to local communities.

WATER QUALITY

- 11.2.101 Minerals and waste developments also have the potential to deplete or pollute surface waters as a result of mineral extraction below the watercourse, chemicals or waste contaminants, soil and silt carried in surface water run-off during construction activities, or erosion of river banks due to excess water run-off.
- 11.2.102 The Environment Agency is the main body responsible for maintaining water quality and resources in the UK and provides advice on the protection of

surface and groundwater protection zones²⁰⁴. It also publishes information on groundwater vulnerability and the location of source protection zones for water supply. Groundwater Protection uses aquifer designations (reflecting the importance of aquifers in terms of groundwater as a resource and also their role in supporting surface water flows) which are consistent with the Water Framework Directive²⁰⁵. A key aim of the Water Framework Directive is to prevent deterioration in the status of water bodies, improve their ecological and chemical status and prevent further pollution.

- 11.2.103 The MPA will require all proposals for mineral development and minerals related development to satisfactorily assess potential impacts on the water environment during all phases (e.g. construction, operational and restoration) of the proposed development. Hydrological or, where required, hydrogeological assessments will be required to take account of likely impacts to surface water quality, quantity and flows and ground water quality and levels resulting from minerals development and minerals related development. Such impacts could result from operations such as de-watering operations, water discharge or through the inappropriate storage of fuels and other pollutants. Mineral workings below the water table could also result in adverse impacts. Assessments should also set out appropriate mitigation measures, including at the restoration stage, to ensure that minerals development and minerals related development would not adversely affect surface and ground waters. The restoration of mineral sites can offer opportunities for multifunctional enhancements which can include the opportunity to provide water quality improvements.

SOIL QUALITY AND AGRICULTURAL LAND

- 11.2.104 Minerals development and minerals related development often takes place on agricultural land and depending on the scale and nature of a proposal, can result in its damage or permanent loss through inappropriate restoration schemes and techniques. The movement, handling storage and mixing of soils (including topsoils, subsoils and overburden) to access underlying minerals can also lead to their damage or degradation if undertaken inappropriately or in the wrong conditions.

²⁰⁴ [Groundwater source protection zones \(SPZs\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

²⁰⁵ [Groundwater \(europa.eu\)](https://europa.eu)

POLICY DM9: SOIL QUALITY AND AGRICULTURAL LAND

Proposals for minerals development and minerals related development will be supported where it can be demonstrated that they will protect and conserve soil resources and their quality and safeguard the long-term potential of best and most versatile agricultural land. Proposals should prioritise the managed recovery, retention, storage, conservation and treatment of soil including soil making resources for beneficial and, where appropriate, reuse within the site

REASONED JUSTIFICATION

11.2.105 Soil is a finite resource that is essential for growing food and other crops, supporting biodiversity, contributing to landscape character, storing water, capturing carbon as well as acting as buffer against pollution. It is also a natural capital asset that provides important ecosystem services. National policy requires the MPA to protect and enhance valued soils and prevent the adverse effects of unacceptable levels of pollution. It also requires the MPA to take into account the economic and other benefits of best and most versatile agricultural land²⁰⁶. Where significant development of agricultural land is demonstrated to be necessary, the MPA should seek the use of areas of poor quality land in preference to that of higher quality²⁰⁷ to ensure that the long-term potential of 'best and most versatile land' is safeguarded for future generations.

11.2.106 The quality of agricultural land is classified by Defra and Natural England using the Agricultural Land Classification (ALC). The ALC system classifies land into five grades, with grade 3 subdivided into sub-grades 3a and 3b. The best and most versatile land is defined as Grades 1, 2 and 3a in the NPPF²⁰⁸. This is the land which is most flexible, productive and efficient in response to inputs and which can best deliver future crops for food and non-food uses such as biomass, fibres and pharmaceuticals.

11.2.107 The MPA will assess the impact of proposals for minerals development and minerals related development on soils, their intrinsic character and the

²⁰⁶ Paragraph 174, revised NPPF (July 2021)

²⁰⁷ Footnote 58, revised NPPF (July 2021)

²⁰⁸ Annex 2: Glossary, revised NPPF

sustainability of the many ecosystems they deliver. Where proposals involve the disturbance of soils, subsoils and overburden arisings, they will be expected to be accompanied by sufficient information to demonstrate that soil quality will be protected and maintained throughout the life of the development particularly during operations involving stripping, handling, storage, management and final placement.

11.2.108 Where proposals are located on best and most versatile agricultural land, the MPA will expect the planning application to include sufficient information, including an agricultural land assessment, to demonstrate that the development will prioritise the development of poorer-quality land, avoiding significant development of best and most versatile agricultural land unless it is demonstrated to be necessary; safeguard the long-term potential of best and most versatile agricultural land by enabling the land to retain its longer-term capability for agricultural use where practicable; and optimise the restoration of agricultural land quality where the proposed after-use returns sites to an agricultural after use so that the potential of the BMV land can be maintained.

11.2.109 Further guidance on soils and assessment of agricultural land is set out in PPG and on the Natural England website²⁰⁹. The Institute of Quarrying has also recently published revised good practice guidance on the handling of soils in mineral workings²¹⁰

AVIATION SAFETY

11.2.110 Where minerals development and minerals related development is located close to an airport, one of the main hazards is bird strike, particularly where the site is restored to open water or wetland habitats. Tall buildings or structures located on mineral sites may also represent a hazard. It is important, therefore, that the development is designed carefully in order to maintain aviation safety.

POLICY DM10: AVIATION SAFETY

Minerals development and minerals related development within an airport safeguarding area will only be supported where it can be

²⁰⁹ [Guide to assessing development proposals on agricultural land - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/guide-to-assessing-development-proposals-on-agricultural-land)

²¹⁰ [Soils Guidance \(quarrying.org\)](https://www.instituteofquarrying.org/soils-guidance)

demonstrated that the development, including the form of restoration, would not constitute a significant hazard to aviation safety.

Restoration proposals for sites in these areas will be expected to balance the need to minimise the attractiveness of the site to birds that constitute a risk to aviation safety with other environmental considerations including climate change, landscape or biodiversity.

All proposals within an airport safeguarding area will be expected to operate in accordance with the provisions of an agreed Bird Hazard Management Plan.

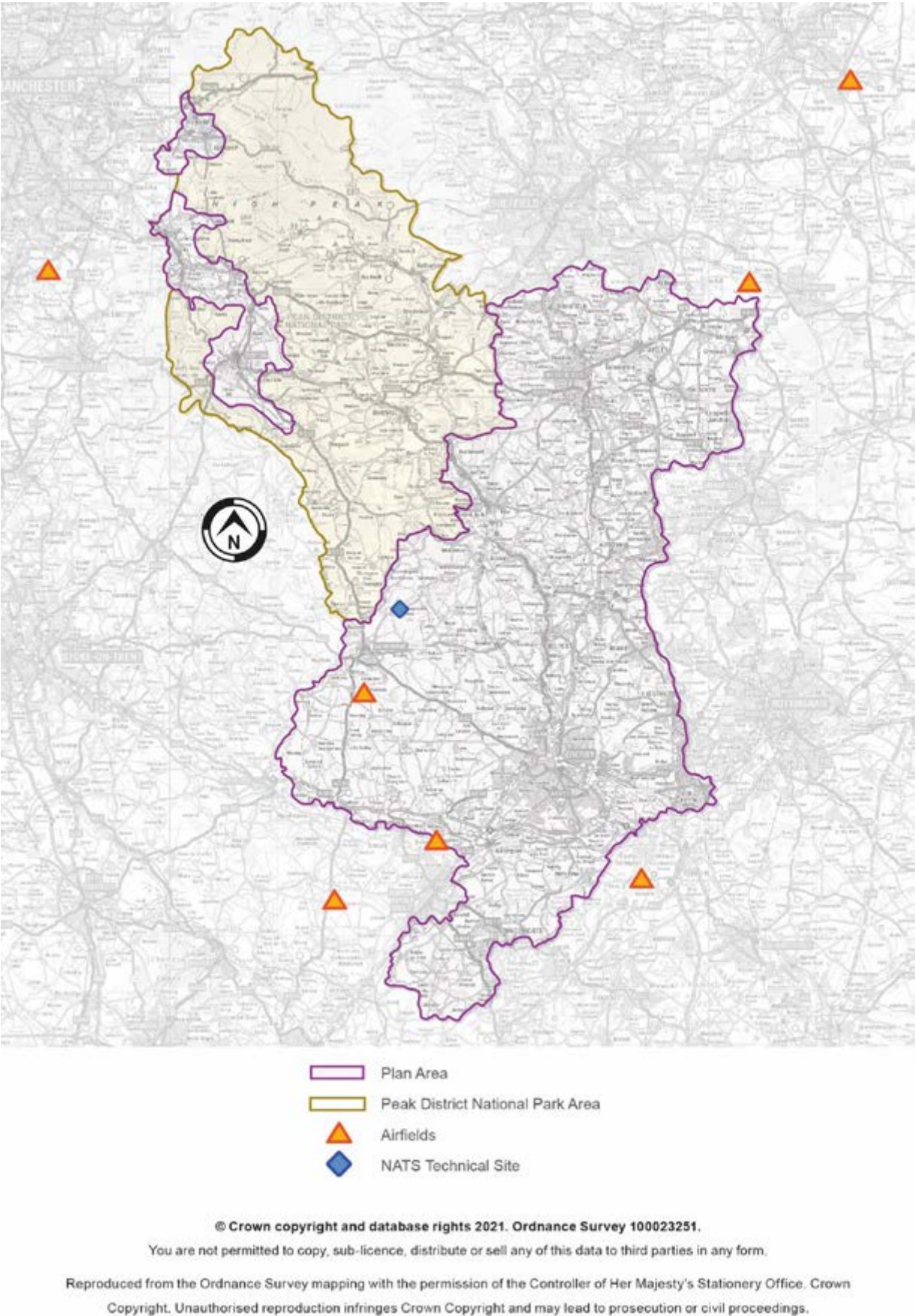
REASONED JUSTIFICATION

- 11.2.111 The Town and Country Planning (Safeguarding Aerodromes, Technical Sites and Military Explosives Storage Areas) Direction 2002 seeks to ensure that the operation and development of civil and military aerodromes and technical sites is not impeded through inappropriate development including buildings and structures that obscure runway approach or impede navigation aids or telecommunications systems; lighting with the potential to distract pilots; or development which has the potential to increase the number of birds/the bird hazard risk such as the restoration of mineral workings. National policy requires mineral working, restoration and after-use proposals to take account of aviation safety.
- 11.2.112 Where proposals for minerals development and minerals related development are located within 13km of officially safeguarded civil aerodromes, 8 miles of military aerodromes, delineated safeguard areas for (NATS) Technical Sites or within the identified safeguarding areas of other aerodromes, the MPA must consult the appropriate authority. In the event that proposals for mineral development or minerals related development results in unacceptable adverse impacts on aviation safety, planning permission should not be granted
- 11.2.113 Open water and wetland-based restoration schemes for minerals sites have the potential to attract increased numbers of large flocking birds such as gulls and geese, which can increase the overall risk of bird strike to aircraft. Some species of birds associated with bird strike can also be found on agricultural land. Water-based restoration can be achieved without constituting an unacceptable risk to aviation safety, through the incorporation of measures such as the creation of reed beds or fragmented ponds, instead

of open water, as these are generally less attractive to the flocking birds that present a bird strike hazard. It is important, therefore, that careful consideration be given to the restoration of mineral sites located in airport safeguarding areas. Schemes should aim to balance local landscape and biodiversity distinctiveness with the need to minimise the risk of bird strike.

11.2.114 The MPA will continue to work closely with airport authorities and other interested bodies to ensure that sites close to airports are designed and restored in ways which minimise the risk of bird strike. In the Plan area, the only officially safeguarded civil or military aerodrome is East Midlands Airport. Safeguarded NATS technical sites are also located in Derbyshire Dales. Other aerodromes in, or close to the Plan area, that need to be taken into account include Derby Aerodrome at Egginton, Tatenhill aerodrome near Burton-on-Trent in Staffordshire and Netherthorpe Aerodrome near Worksop in Nottinghamshire. These are set out on Figure 11.2.1 below.

Figure 11.2.1: Safeguarded aerodromes



GREEN BELT

11.2.115 Within the Plan area, there are four areas of Green Belt – the Derby/Nottingham Green Belt, the North East Derbyshire Green Belt (also known as Sheffield/South Yorkshire Green Belt), the North West Derbyshire Green Belt and the South Derbyshire Green Belt. These are set out on Figure 2.1 in Chapter 2: Spatial Overview. As set out in the NPPF, the fundamental aim of Green Belt policy is to prevent urban sprawl by keeping land permanently open and its essential characteristics are its openness and permanence.

POLICY DM11: GREEN BELT

Proposals for minerals development and minerals related development will be supported where it can be demonstrated that they will maintain the openness of the Green Belt and the purposes of including land within it.

Inappropriate development will not be approved except in very special circumstances. Very special circumstances will not exist unless the potential harm to the Green Belt by reason of inappropriateness, and any other harm, is clearly outweighed by other considerations.

REASONED JUSTIFICATION

11.2.116 Minerals can only be worked where they are found. Within the Plan area, a range of minerals are found in the Green Belt including building stone, coal and hydrocarbons in the North East Derbyshire Green Belt, hydrocarbons and sand and gravel in the Nottingham-Derby Green Belt and, brick clay and sandstone in the North West Derbyshire Green Belt. It is possible, therefore, that proposals for minerals development and minerals related development in the Green Belt will come forward during the plan period.

11.2.117 The NPPF²¹¹ states that minerals extraction is not inappropriate in the Green Belt where this preserves its openness and does not conflict with the purposes of including land within it. Appropriately designed and restored

²¹¹ Paragraph 150, revised NPPF (July 2021)

mineral working is therefore capable of being accommodated within the Green Belt where this does not conflict with national policy.

- 11.2.118 All proposals will need to demonstrate that the location, scale and impacts of the development will not harm the openness of Green Belt or the purposes of including land within it. Such assessment should be proportionate to the nature, location, duration and size of the proposed development and any potential harm it may bring to the openness of the Green Belt. Consideration should be given to how all stages (construction, operation and restoration) of the proposal would affect the characteristics of the Green Belt and the purposes of including land within it; whether any part of the proposal would constitute inappropriate development in the Green Belt; and if, in the event that any part of the development would be inappropriate, what very special circumstances might exist to justify that development.
- 11.2.119 Very special circumstances will not exist unless the potential harm to the Green Belt by reason of inappropriateness, and any other harm, is clearly outweighed by other considerations. Very special circumstances will need to be considered on a case-by-case basis and will depend on the circumstances of any proposed development. The presence of minerals - which can only be developed where they exist - and the contribution they can make to maintaining a steady and adequate supply, may be capable of being relevant considerations, depending on the circumstances at the time of any application. Minerals related development not directly associated with the winning and working of minerals e.g. concrete batching plants are unlikely to be considered appropriate development in the Green Belt.
- 11.2.120 Following mineral extraction, sites should be restored to a use compatible with Green Belt objectives and seek to enhance its appropriate use. This could include opportunities for biodiversity net gain, enhancement of ecological networks and natural capital, measures to enhance existing landscapes and visual amenity and to increase public access and opportunities for outdoor sport and recreation. Such opportunities will not negate the need to comply with protective Green Belt policy.

GREEN AND BLUE INFRASTRUCTURE

- 11.2.121 Green (and blue) infrastructure can be defined as a network of strategically planned multi-functional green and blue (water) spaces and other natural features, and the connections between them, that are capable of delivering, through appropriate design and management, a wide range of environmental, economic, health and wellbeing benefits for nature, climate,

local and wider communities and prosperity. The green and blue infrastructure network may comprise spaces in public or private ownership, with or without public access.

- 11.2.122 Green and blue infrastructure is also a natural capital asset that provides multiple benefits at a range of scales. Natural capital refers to the elements of the natural environment (often referred to as ‘natural assets’) which provide benefits (‘ecosystem services’) to local communities. Maintaining and enhancing the resilience of natural assets is essential to community health and well-being at both the local and strategic level.
- 11.2.123 Whilst poorly planned and managed minerals and minerals related development have the potential to result in the loss or deterioration of green and blue infrastructure through intensive and long-term environmental disturbance, well designed schemes also have the potential to contribute significantly to the extent and quality of local and strategic green and blue infrastructure networks within the Plan area and, through them, enhance its natural capital.

POLICY DM12: GREEN AND BLUE INFRASTRUCTURE

Proposals for minerals development and minerals related development will be supported where it can be demonstrated that they will not compromise the integrity of existing strategic and local green and blue infrastructure assets or the natural capital of the Plan area.

All proposals for minerals development and minerals related development will be expected to take account of, and provide opportunities to create, maintain and enhance green and blue infrastructure provision in the Plan area and, where possible, improve accessibility to these assets. Proposals should aim to incorporate a range of green and blue infrastructure to maximise the delivery of multi-functionality and ecosystem services, incorporate water quality improvements and/or opportunities to improve the water environment, support climate change adaptation and encourage healthy and active lifestyles. Where applicable, the MPA will expect the proposals to have regard to the content of existing green and blue infrastructure strategies or other approved strategies promoting change at the landscape scale.

Where new green and blue infrastructure assets are proposed details of the arrangements for the long-term management of the asset will need to be provided prior to the determination of any planning application. Where necessary, these matters may need to be secured using planning obligations.

REASONED JUSTIFICATION

11.2.124 National policy requires that strategic policies should set out an overall strategy for the pattern, scale and quality of development, and make sufficient provision for green infrastructure²¹². It also requires the MPA to take a strategic approach to maintaining and enhancing networks of habitats and green infrastructure; and plan for the enhancement of natural capital at a catchment or landscape scale across local authority boundaries²¹³

11.2.125 PPG²¹⁴ outlines the types of land use that comprise green (and blue) infrastructure and recognises the benefits (ecosystem services) that it can bring to local communities. The guidance identifies the following planning goals which green infrastructure can help achieve²¹⁵:

- Building a strong, competitive economy;
- Achieving well-designed places;
- Promoting healthy and safe communities;
- Mitigating climate change, flooding and coastal change; and
- Conserving and enhancing the natural environment.

11.2.126 The extent to which green and blue infrastructure is capable of providing these benefits is largely dependent on how well it is designed and maintained. Whilst individual assets can serve a useful purpose in isolation, direct connectivity between multiple green and blue infrastructure assets can help maximise the benefits that they generate and reduce issues associated with fragmentation and severance. In line with the requirements of policy SP1: Sustainable Minerals Development, Policy DM12 seeks to establish a comprehensive and well managed network of multifunctional green and

²¹² Paragraph 20, revised NPPF (July 2021)

²¹³ Paragraph 175, revised NPPF (July 2021)

²¹⁴ Paragraph 004, Reference ID 8-004-20190721 & Paragraph: 005 Reference ID: 8-005-20190721

²¹⁵ Paragraph: 006 Reference ID: 8-006-20190721

infrastructure assets for the Plan area and, through them, enhance its natural capital.

- 11.2.127 Although there is no single overarching strategy, green infrastructure strategies have been adopted for parts of the Plan area. The 6C's Green Infrastructure Strategy²¹⁶, which takes in the counties of Leicestershire, Derbyshire and Nottinghamshire, is relevant to Derby City Council, Amber Valley Borough Council, South Derbyshire District Council and Erewash Borough Council. The Greater Nottingham Green and Blue Infrastructure Strategy includes the administrative area of Erewash Borough Council²¹⁷. Green infrastructure studies have also been undertaken as part of local plan preparation by Derbyshire District Council, High Peak Brough Council and Chesterfield Borough Council. Derbyshire County Council is also currently building an evidence base to assist in the production of a Natural Capital Strategy which, it is hoped, will be adopted by 2023. The MPA will utilise the studies and adopted strategies when assessing the impact of development proposals on existing green infrastructure assets as well as any potential linkages to those assets.
- 11.2.128 Proposals for mineral development and, where appropriate, mineral related development, will be expected to contribute to the extension or enhancement of the green and blue infrastructure network in the Plan area, helping to address deficiencies in existing provision and providing good quality connections to the network and throughout the development. The MPA will expect green infrastructure principles to be considered and incorporated into proposals for minerals development at the earliest possible opportunity. They should be considered at every scale (e.g. local or strategic) and be capable of delivering a wide range of environmental, health and quality of life benefits for local communities. Applicants should assess the site context for green infrastructure functions and take opportunities to achieve multi-functionality by bringing green infrastructure functions together.
- 11.2.129 In developing proposals for minerals development and minerals related development, the MPA will expect applicants to have regard to the content of existing green infrastructure strategies, or other strategies approved during the Plan period, promoting change at the landscape scale. These should be viewed and considered alongside other relevant policies of this

²¹⁶ 6cs Green Infrastructure Strategy (July 2010)

²¹⁷ Greater Nottingham Green and Blue Infrastructure Strategy Part 1 (July 2020)

Plan to identify opportunities for protecting, enhancing and connecting green infrastructure assets as part of new development.

- 11.2.130 Green and blue infrastructure requires sustainable management and maintenance arrangements to be put in place if it is to provide benefits and services in the long term and ensure operations deliver biodiversity net gains and other environment enhancements and benefits. The protection, enhancement and creation of green and blue infrastructure should be considered at an early stage of a mineral development proposal. Planning conditions or, if necessary, planning obligations will be required to secure and fund new and existing green and blue infrastructure assets both on site and, if necessary, offsite.

PUBLIC ACCESS

- 11.2.131 Minerals development and minerals related development can have significant direct or indirect impacts on public rights of way, open spaces and informal outdoor recreational land and their users. Public access to such routes and areas may be restricted for health and safety reasons or to prevent criminal damage. Where rights of way are affected, arrangements for their temporary or permanent diversion must be put in place as part of proposals. Restoration of mineral workings may provide an opportunity to provide new or enhanced rights of way and outdoor recreational uses.

POLICY DM13: PUBLIC ACCESS

Proposals for minerals development and minerals related development will be supported where it can be demonstrated that they will not have an unacceptable impact on the existing rights of way network and its users. Where this is not practicable, satisfactory proposals for temporary or permanent diversions, which are of at least an equivalent convenience, quality or interest must be provided.

Improvements and enhancements to the rights of way network will be sought and, where possible, recreational access to restored minerals workings will be increased. Opportunities will be taken for the provision of new routes and links between existing routes, especially at the restoration stage with priority given to meeting the objectives of any adopted Rights of Way Improvement Plans covering the Plan area as well as any adopted strategies for

greenways and/or cycle networks. Where necessary, these matters may need to be secured using planning obligations.

REASONED JUSTIFICATION

- 11.2.132 National policy²¹⁸ states that policies should protect and enhance public rights of way and access. Opportunities to provide better facilities for users, such as adding links to the existing rights of way, should be sought. Where appropriate, manned crossing points will be required to ensure that the existing rights of way network is not compromised during development. Proposals for new rights of way will need to consider how they can best link into the existing rights of way network. All proposals for new or improved rights of way will also need to consider the needs of people with mobility problems and other disabilities and comply with the requirements of the Equality Act 2010.
- 11.2.133 The Plan area has a diverse network of footpaths, bridleways and byways which, when combined, provides approximately 3,000 miles of routes. Combined with the many other paths, trails, greenways and areas of open access land, this unique resource is an important tourism and recreation asset offering local communities and visitors the opportunity to explore the countryside as well as providing a sustainable means of access to schools, shops, work places and other community facilities. Despite this, parts of the Plan area also suffer from a poor-quality environment, or a lack of publicly accessible green space. Therefore, efforts to improve public rights of way and access within, or as part of the restoration of, mineral developments should be targeted to help address existing shortfalls as well as providing new infrastructure.
- 11.2.134 When designing restoration schemes incorporating enhanced public access, new rights of way or new links between existing rights of way/multi-user routes, reference should be made, where appropriate, to the objectives of the appropriate Rights of Way Improvement Plan (RoWIP) or adopted greenway strategies. Within the Plan area there are two RoWIP which should be taken into account - the Rights of Way Improvement Plan for the City of Derby 2014-2017 and the Rights of Way Improvement Plan for Derbyshire 2007 – 2012, both of which are still relevant. The County Council also produced a Statement of Action to accompany the RoWIP covering the

²¹⁸ Paragraph 100, Revised NPPF, July 2021

period 2013-2017. Derbyshire County Council has also produced the Derbyshire Cycling Plan 2016-2030 covering the entire Plan area, which sets out key priorities for strategic and local cycle routes within Derby and Derbyshire.

- 11.2.135 Advice should be sought from the MPA’s rights of way officers regarding the need for temporary or permanent diversions associated with a development proposal at the earliest possible stage. The statutory process for footpath diversion or closure is separate from the planning process and as such delays or failures to secure any required amendments to the rights of way network could affect the implementation of future minerals development.
- 11.2.136 Enhancements to the rights of way network will be secured through planning obligations rather than planning conditions to ensure that the enhanced rights of way are available in perpetuity. Similarly, permissive paths (paths created as part of a restoration scheme which have no legal status as a right of way) will not be considered for temporary or permanent diversions to an existing definitive right of way.

CUMULATIVE IMPACTS

- 11.2.137 Dependant on the type of mineral, the scale and nature of the mineral working and the abundance of the resource, the effects of minerals development and minerals related development on the environment, local communities and the surrounding area can last for many years. Within the Plan area, this has resulted in some areas experiencing a concentration of workings, both historic and current, the effects of which continue to be felt today. The cumulative impact of several mineral workings either on one site or in close proximity to each other may, therefore, be a factor that needs to be considered; as well as the effects of these types of developments in conjunction with other developments in an area.

POLICY DM14: CUMULATIVE IMPACTS

Proposals for minerals development and minerals related development will be supported where it can be demonstrated, taking into account the potential sensitivity of the site, that there are no unacceptable cumulative impacts on the wider and local environment including landscape character, the local amenity of nearby

communities including health and well-being and the economic prosperity of the local and wider area.

In assessing cumulative impacts, all proposals will be expected to have regard to both the collective effects of different impacts generated by that proposal (intra-project effects) as well as the effects of other developments occurring concurrently or successively (inter-project effects).

REASONED JUSTIFICATION

11.2.138 The NPPF requires new development to be appropriate for its location, *‘...taking into account the likely effects (including cumulative effects) of pollution on health, living conditions and the natural environment, as well as the potential sensitivity of the site, or the wider area to impacts that could arise from the development’*²¹⁹. Specifically with regard to minerals development, it requires local policies to *‘set out criteria or requirements to ensure that permitted and proposed operations do not have unacceptable adverse impacts on the natural and historic environment or human health, taking into account the cumulative effects of multiple impacts from individual sites and/or a number of sites in a locality’*²²⁰

11.2.139 PPG²²¹ acknowledges that some parts of a MPA area may have been subjected to successive mineral development over a number of years, stating that MPAs should include appropriate policies in their minerals local plan to ensure that the cumulative impact of a proposed minerals development on the community and environment will be acceptable.

11.2.140 Cumulative impacts associated with minerals development and minerals related development can occur in a number of ways including the cumulative impact of a number of environmental effects (e.g. noise, dust, vibration, odour, lighting, transport movements) associated with a single site; the combined effects from more than one site that are active simultaneously; the combined effect on local land use, landscape character and biodiversity following the restoration of mineral workings leading to a long term change in the characteristics and distinctiveness of an area; and impacts on the amenity of local communities who have experienced many years of either

²¹⁹ Paragraph 185, revised NPPF (July 2021)

²²⁰ Paragraph 210(f), revised NPPF, (July 2021)

²²¹ Paragraph 017 ID: 27-017-20140306, PPG

continual mineral extraction or the adverse effects resulting from poorly restored or unrestored mineral workings.

- 11.2.141 The MPA will consider the appropriateness of granting permission for new minerals development and minerals related development where they are located in close proximity to other minerals sites or where the legacy of historic mineral working remains having regard to both the collective effects of different impacts generated by that proposal (intra-project effects) as well as the effects of other developments occurring concurrently or successively (inter-project effects).
- 11.2.142 The ability of a local area to absorb further minerals development and minerals related development will be dependent on the location of existing mineral sites as well as pressures from other, non-mineral type development; the scale and nature (including phasing and duration) of the operations proposed; and the proposed restoration and after-use of the site and will be assessed by the MPA on a case-by-case basis.

RESTORATION, AFTERCARE AND AFTER-USE

- 11.2.143 Minerals development is a temporary use of the land and, as a consequence, it is important that site restoration is properly designed at the earliest stage to ensure that proposals are achievable, environmentally acceptable and that long-term benefits are secured. Satisfactory restoration of minerals sites is also essential in ensuring the sustainable use of land following the completion of minerals development. The after-use of a site should be designed on a case-by-case basis, dependant on location, geology and local characteristics, as should the aftercare arrangements.

POLICY DM15: RESTORATION, AFTERCARE AND AFTER-USE

Proposals for minerals development and minerals related development will be supported where it can be demonstrated that provision has been made for the reclamation of the site at the earliest opportunity to result in high quality restoration, aftercare and the appropriate after-use of the site.

All restoration proposals will be expected to deliver significant* biodiversity net gain, contribute towards the enhancement of natural capital within the Plan area and assist in mitigating the effects of

climate change through the inclusion of appropriate climate change adaptation and mitigation measures. Where appropriate, restoration proposals should also seek to contribute to the enhancement of heritage assets and/or historic landscapes.

Restoration

As a minimum, all restoration proposals will be required to demonstrate the following:

- 1) that the scheme has had regard to the character and distinctiveness of the surrounding landscape and historic environment, its biodiversity and geodiversity and existing land uses.
- 2) a restoration masterplan, including details of final landform, the drainage system and landscaping (including the retention of any existing, important landscape features) and a timescale for restoration works, including phasing.
- 3) that restoration material placement has been carefully planned to avoid sterilisation of the mineral resource, minimise double handling of material where possible, or lead to the imposition of artificial constraints to restoration.
- 4) where restoration will involve the use of imported materials to achieve the intended ground levels, that sufficient infill materials are likely to be available to restore the site within an acceptable timescale; provide the optimum restoration solution, using no more material than necessary to attain the required landform.
- 5) that, wherever possible, it seeks to maximise all opportunities for phased or progressive restoration and how this is to be achieved.
- 6) how the proposal makes provision for the appropriate retention or replacement of soils and, where agricultural restoration is proposed, how the scheme will retain, enhance and/or replace areas of the best and most versatile agricultural land.
- 7) that, wherever possible, opportunities to incorporate natural flood storage and alleviation are maximised, taking into account existing flood defence assets and the continued effective operation of such assets.

- 8) that, for proposals located in close proximity to river corridors, the proposal seeks to enable natural processes and river-floodplain interaction to recover following the cessation of extraction operations.
- 9) where sites lie within an Airport Safeguarding Zone, how the scheme has been designed to minimise the issue of bird strike.
- 10) where sites lie within the National Forest, that the scheme seeks to provide additional native deciduous woodland planting.

Aftercare

All proposals will be subject to a minimum five-year period of aftercare. Where proposals, or elements of proposals require a longer period of management a proposal will only be supported where it clearly sets out details of the period of extended aftercare and how this will be managed and secured. Where these cannot be secured through planning condition, the MPA will seek to secure them via planning obligation.

After-use

Proposals should seek to provide benefits to the local and wider community including enhanced natural capital, enhancement and creation of biodiversity and geodiversity interests, linkages to other green infrastructure initiatives and ecosystems, enhanced landscape character, improved public access, recreation or tourism opportunities.

REASONED JUSTIFICATION

11.2.144 National policy²²² requires that land worked for minerals is reclaimed at the earliest opportunity, taking account of aviation safety, and that high-quality restoration and aftercare of mineral sites takes place.

11.2.145 PPG²²³ advises that the most appropriate form of site restoration to facilitate different potential after-uses should be addressed in firstly both local minerals plans, which should include policies to ensure that worked land is reclaimed at the earliest opportunity and that high quality restoration and

²²² paragraph 210(h) revised NPPF, (July 2021)

²²³ Paragraph 37 PPG, (Reference ID:27-037-20140306), 06 03 2014

aftercare of mineral sites takes place, and secondly on a site-by-site basis following discussions between the minerals operator and the MPA. It goes on to set out²²⁴ the key stages involved in the restoration and aftercare of minerals sites and describe the level of detail that should be submitted regarding restoration and aftercare at the planning application stage.

- 11.2.146 Well considered restoration proposals should have regard to the wider context of the site, to ensure that the restored site integrates with the character and distinctiveness of the surrounding landscape, mitigates any visual intrusion, and enhances biodiversity. Well-designed restoration schemes can also play a key part in building and enhancing natural capital and ecological networks at both the site level and at the more strategic level and establish the long-term potential of the land for a wide range of after-uses, such as conservation, recreation, flood alleviation and improved access, that can be of benefit to local communities and the economy. The MPA will expect all proposals to contribute, where appropriate, to the creation of new green infrastructure and opportunities for increased public accessibility in the Plan area in accordance with policies DM12: Green Infrastructure and DM13: Public Access.
- 11.2.147 The term significant biodiversity net gain, as referred to in policy DM15 above, means a requirement for restoration schemes to provide for the delivery of BNG in excess of the statutory minimum 10% (as calculated using the most up to date version of the government's approved Biodiversity Metric and subsequent approval of the Biodiversity Net Gain Plan).
- 11.2.148 Where mineral sites are located close to heritage assets and contribute towards the setting of those assets, the MPA will expect restoration proposals to provide for the enhancement of specific features of the historic environment, including individual heritage assets or historic landscapes in accordance with the requirements of policy DM7: Historic Environment.
- 11.2.149 In line with the requirements of policies SP2: Climate Change and DM8: Water Management and Flood Risk, the MPA considers that, where possible, restoration schemes should seek to maximise opportunities for natural flood storage and flood alleviation. Where such measures are proposed, the MPA will require applicants to demonstrate that they would not adversely impact the effective operation of existing flood defence assets in the locality of the site. In addition, where sites are located close to river

²²⁴ Paragraph 38, PPG Minerals 2014, Reference ID: 27-038-20140306 revision date 06 03 2014

corridors and include new ponds and/or water bodies as part of the proposed restoration, the applicant must demonstrate that consideration has been given/modelling undertaken of the interrelationship between the new pond and the adjacent water course. The MPA considers that returning lateral connectivity between rivers and their natural floodplain is vital to ensure the delivery of multiple benefits, including natural capital and climate change resilience.

- 11.2.150 On some occasions planning applications will be submitted with a restoration scheme designed to be compatible with commercial/residential after-uses. In such instances, schemes usually include large development platforms with few landscape features or restricted habitat creation. Whilst this can represent a practicable approach, particularly where the minerals extraction is required as part of a wider site remediation, they can also be problematic with timings or certainty that the later scheme proceeds. The MPA will generally not be supportive of such schemes unless a corresponding application has been submitted to the relevant district/borough planning authority.
- 11.2.151 All restoration schemes should include landscaping proposals, which ensure that sites can be assimilated into the surrounding landscape and which are compatible with the proposed after-use. These should be based on the local landscape character of the site and its surroundings. When designing landscaping schemes, applicants should have regard to the 'Landscape Character of Derbyshire' document or other local town/landscape character assessment relevant to the Plan area. The MPA will expect all restoration schemes to have regard to the requirements of policy DM4: Landscape.
- 11.2.152 At the planning application stage, applicants will be required to demonstrate that the site can be restored to an acceptable condition and after-use. A restoration and after-use scheme, which is integrated fully with the extraction programme from the start of the process, will be expected to be submitted as part of the planning application for the working of the site. This should provide comprehensive details of the order and timing of phases of mineral working, restoration and of the final main after-uses. The scheme should also aim to integrate and facilitate the delivery of any relevant mitigation measures, as identified in assessments undertaken to support the planning application. It is strongly advised that these matters are discussed with the MPA at the pre-application stage, and where possible involve input from relevant key stakeholders to resolve any potential conflicts of interest

- 11.2.153 At sites where there is a high volume of mineral extraction, it may not be possible to restore the land to pre-extraction levels without the use of imported materials. The ability to restore land to original ground levels will impact on the options for site restoration, particularly where restoration to agricultural use is the preferred option.
- 11.2.154 Inert infill material, such as construction material (builders' rubble and soils from ground excavations) has commonly been used to restore land to the required level, although this type of material is becoming increasingly scarce as a consequence of greater incentives to recycle materials and since the introduction of Landfill tax. The location of some sites also means that the delivery of infill material by road may not be possible or could result in further and unacceptable adverse impacts. The MPA will expect potential or limitations on the ability to restore ground levels to be addressed in the planning application documents and be taken into consideration in the design of the development at the earliest opportunity. Mineral operators should be able to demonstrate that sufficient infill material is likely to be available and within an acceptable period to avoid delays in restoration.
- 11.2.155 Whilst mineral extraction may be considered appropriate in a particular location, the use of waste material as a restoration/infill material may not be. This could be because of site location e.g. a site in the Green belt or the proximity of local communities. Where an operator proposes to import waste material for infilling purposes, an Environmental Permit from the Environment Agency will be required. National policy seeks to ensure that recyclable materials are put to beneficial use ('waste recovery') rather than being disposed of ('waste disposal'). Operators will also need to ensure that restoration schemes involving the use of waste materials are designed to keep waste materials to a minimum to ensure the restoration phase is kept to a minimum, that restoration is the optimum solution for the site and that no more material than necessary is used to achieve the required landform.
- 11.2.156 Wherever possible, site restoration must be undertaken progressively, with sections of the site worked and then restored at the earliest opportunity. The aim should be to minimise the area of land disturbed and the overall period of mineral operations. Progressive restoration can also assist in gauging the success/rate of establishment of approved planting schemes as well as any habitat creation measures. It can also help to offset any impacts of the development on biodiversity, the landscape and visual amenity, as well as helping to maintain and enhance local distinctiveness during the life of the development.

- 11.2.157 The MPA will expect soils to be adequately protected and maintained throughout the life of the development, particularly if a site comprises land that qualifies as best and most versatile agricultural land (see Policy DM9: Soil quality and Agricultural land).
- 11.2.158 Where sites are located in airport safeguarding zones, the MPA will expect restoration schemes to be designed to incorporate appropriate bird hazard management measures in order to minimise impacts to aviation safety in accordance with Policy DM10: Aviation safety.
- 11.2.159 In order to ensure that a restored site is fit for purpose and remains so, it is important that they are properly managed afterwards. Aftercare can include the processes of cultivating, fertilising, planting, draining and otherwise treating the land. An appropriate period of aftercare is needed to ensure mineral sites are restored to a standard suitable for their intended after-use. The length of the aftercare period will normally be at least five years, although this can be extended, and will be negotiated on a case-by-case basis, depending on the restoration scheme and after-uses agreed for the site. Longer term management will be required for those elements of a restoration scheme designed to deliver biodiversity net gain. From November 2023, it is expected that extended aftercare and management period of 30 years will be required in order to ensure that the biodiversity led enhancements are successfully established and in appropriate management. Where appropriate, the MPA will seek to ensure that the long-term management of the site is secured through a Planning Obligation.
- 11.2.160 National policy²²⁵ requires that financial guarantees are only provided in exceptional circumstances such as mineral extraction techniques utilising new technologies. Large mineral operators tend to be members of trade associations such as the Mineral Products Association which have their own Restoration Guarantee Fund (although this is limited to £1 million). However, for a variety of reasons, many large mineral operators are concentrating their resources on larger sites. They are also selling or transferring smaller sites to smaller operators towards the end of the extraction phase or during the restoration phase. For these reasons, it is important to ensure that the developers or land owners left in control of the sites have adequate financial provision to fulfil the final restoration and aftercare requirements. This can

²²⁵ Paragraph 211(e), revised NPPF (July 2021)

be through membership of a trade association with an adequate Restoration Guarantee Fund or by providing an equivalent guarantee bond.

PLANNING OBLIGATIONS

- 11.2.161 In order to ensure that all proposals for minerals development and minerals related development meet the sustainable development objectives of the Plan, additional measures may be required to make a proposed development acceptable. Such measures may be identified in the information submitted in support of planning applications or through consultee comments during the determination of those applications.
- 11.2.162 In the first instance, where the MPA considers that additional measures are required, either to mitigate the adverse effects of a proposal or to secure enhancements to its quality, the MPA will seek to impose planning conditions on a planning permission
- 11.2.163 Circumstances can exist, however, where this may not be possible and, where this occurs, the MPA will seek to enter into a planning obligation in order to secure the necessary mitigation measures.

POLICY DM16: PLANNING OBLIGATIONS

Where it is not possible to address any unacceptable impacts of minerals development and minerals related development through the use of planning conditions, the MPA will seek to secure planning obligations to ensure that otherwise unacceptable development can be made acceptable.

Planning obligations will only be sought where they meet the following tests which require that they are:

- a) necessary to make the development acceptable in planning terms;**
- b) directly related to the development; and**
- c) fairly and reasonably related in scale and kind to the development.**

REASONED JUSTIFICATION

11.2.164 Section 106 of the Town and Country Planning Act 1990, as amended allows Mineral Planning Authorities to enter into private agreements (otherwise referred to as planning obligations) with landowners and developers in order to make acceptable development that would otherwise be unacceptable. Such obligations apply to all those parties that enter into the agreement as well as any subsequent owner of the land to which the planning permission relates. Developers can also make unilateral undertakings to commit to certain actions.

11.2.165 Government policy on the use of planning obligations is set out in the NPPF. Planning legislation²²⁶ also sets out limitations on the use of planning obligations. There are three tests that all planning obligations must meet in order to constitute a reason to grant planning permission. They must be:

- Necessary to make the proposed development acceptable in planning terms;
- Directly related to the proposed development; and
- Fairly and reasonably related in scale and kind to the proposed development.

11.2.166 In the context of minerals development and minerals related development, planning obligations may be sought in a number of circumstances. Although not intended to be definitive, such circumstances can include:

- The provision of off-site works such as highway improvements and flood alleviation measures in order to mitigate the impacts of the development;
- Contributions towards the delivery of identified infrastructure proposals or other adopted landscape-scale strategies;
- The provision of long-term site management/aftercare following restoration in order to ensure that the aftercare objectives are fully realised (where third parties are involved); and
- Securing and ensuring the delivery of biodiversity net gain or carbon offsetting particularly where it is proposed that this be achieved via ex-situ compensation or payments are made to third parties;

²²⁶ Regulation 122 Community Infrastructure Regulations 2010, as amended.

11.2.167 The precise nature and scale of planning obligations will vary with each development. Commonly they are based on:

- The nature of the impacts that the development has on existing infrastructure and whether it is capable of being accommodated by existing provision;
- Any site/development specific mitigation measures required and the means of implementing them;

11.2.168 Applicants are encouraged to discuss the need for planning obligations at the earliest possible opportunity. Pre-application discussions can prevent delays in finalising those planning applications which are granted subject to the completion of planning obligation agreements. Derbyshire County Council has produced a Developer Contributions Protocol²²⁷ which details the type and level of contributions which may be sought by the County Council when consulted on or determining planning applications, and the methodology which underpins the calculations.

²²⁷ [Developer Contributions Protocol \(derbyshire.gov.uk\)](https://www.derbyshire.gov.uk/development/development-control/developer-contributions-protocol)

CHAPTER 12: Monitoring and Implementation

INTRODUCTION AND BACKGROUND

- 12.1 The MPA is required to monitor its local plans on a regular basis to ensure that the policies are deliverable and are being implemented, in accordance with the Planning and Compulsory Purchase Act (as amended)²²⁸ and Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended)²²⁹, together with the NPPF²³⁰ and PPG²³¹. Additionally, the MPA is required to assess its local plan policies at least once every five years, from the date of adoption, to determine whether they need to be reviewed, and carry out a review if necessary. In carrying out this assessment the MPA will take into account significant changes to factors that make up the evidence base or any relevant changes to national policy. The PPG sets out, however, that local plan policies do not become out of date automatically after five years.
- 12.2 PPG²³² requires the MPA to report annually via an Authority Monitoring Report (AMR) setting out: progress with local plan preparation in accordance with the Development Plan Scheme; activity relating to ‘duty to co-operate’, policy implementation and delivery including any information relating to indicators in the plan. It can also include developer contributions gained and used (through Section 106 planning obligations and Community Infrastructure Levy (CIL). The AMR is therefore a useful tool in informing whether there is a likely need to undertake a partial or full update of a local plan.
- 12.3 The MLP sets out the overall vision, objectives and strategic policies to address agreed priorities for the development and use of land in its area to enable the delivery of sustainable minerals development. The Vision encompasses the aspirations of people and organisations with an interest in the plan area and sets out what the area will look like at the end of the plan period in 2038, in terms of mineral development, if the objectives of the plan have been delivered

²²⁸ Section 35

²²⁹ Regulations 10A and 34

²³⁰ NPPF July 2021 Paragraphs 31-33

²³¹ PPG Plan Making published 13 9 2018 (updated 21 7 2021) paragraph 62 Paragraph: 062 Reference ID: 61-062-20190315 Revision date: 15 03 2019

²³² PPG Plan Making published 13 9 2018 (updated 21 7 2021) paragraph 73 Paragraph: 073 Reference ID: 61-073-20190315 Revision date: 15 03 2019

successfully. The objectives set out the key goals that need to be attained to make the vision a reality whilst the policies of the plan seek to deliver those objectives. It is important therefore to monitor the effectiveness of the local plan policies in delivering the plan objectives.

- 12.4 The Plan will ultimately be implemented through the development management process of the MPA, via the grant or refusal of planning permission for new proposals, the monitoring of the compliance of existing minerals developments with their planning conditions and obligations and action taken on unauthorised mineral development. Planning permission will be granted where proposals are in accordance with the NPPF, the policies of the adopted Minerals Local Plan and any relevant policies in the adopted Local Plans for the area in which the proposed development is located. The Borough and District Councils will have an important role to play in safeguarding mineral resources and mineral related infrastructure from non-mineral development through the application of Mineral Consultation Areas, as will the City Council in its role as a Unitary Authority.

MEASURES AND INDICATORS

- 12.5 In order to monitor the Plan's policies, it is important to establish appropriate measures and indicators. The effectiveness of some policies is more suitably measured through quantitative indicators e.g. landbanks of permitted reserves whilst the performance of other policies will be monitored through the grant or refusal of planning permissions. It is also important to monitor data that makes up the evidence base of the plan to ensure that it is kept up to date.
- 12.6 The Plan includes a number of objectives to enable delivery of the overall vision. Some of the objectives may be delivered by one specific policy, whilst others will be delivered by a combination of policies.
- 12.7 The Plan identifies a number of strategies for how the MPA will make provision for an adequate and steady supply of minerals over the Plan period. The strategy for most minerals takes the form of criterion-based policies, as there are no specific national or local targets to be met for their supply. For aggregate minerals, the plan is required to make provision for an agreed level of supply over the plan period and this requires more detailed monitoring, through the Local Aggregate Assessment (LAA) and the policies of the Plan.
- 12.8 An important requirement of plan preparation is the Duty to Co-operate and preparation of Statements of Common Ground which often include an agreement to monitor and share information on the supply of minerals.

THE MONITORING FRAMEWORK

12.9 The Monitoring framework sets out the way in which the effectiveness of the Plan’s policies will be measured. It includes reference to the Plan’s Objectives which the policies are seeking to deliver, an indicator, method or source of monitoring, target and trigger threshold for considering action including policy/plan review.

12.10 The Plan’s proposed Objectives are repeated here for information:

- **Objective 1** - Ensuring a Steady and Adequate Supply of Minerals
- **Objective 2** - Ensuring the Prudent use of Primary Mineral and other Natural Resources
- **Objective 3** - Safeguarding Mineral Resources and Mineral Related Infrastructure
- **Objective 4** – Ensuring the Sustainable Transport of Minerals
- **Objective 5** – Protecting Local Communities
- **Objective 6** – Protecting, Conserving and Enhancing the Natural, and Built and Historic Environment
- **Objective 7** – Protecting the Peak District National Park
- **Objective 8** – Minimising the impacts on Climate Change and Flood Risk
- **Objective 9** – Ensuring the Sustainable Restoration of Mineral Sites

POLICY MO1: MONITORING AND IMPLEMENTATION

The effectiveness and continued relevance of the Plan’s policies will be monitored in accordance with the Monitoring Framework. Where necessary, the MPA will carry out a review/part review of the Plan and its Policies.

MONITORING FRAMEWORK

Policy	Objectives	Indicator Number (MO)	Indicator	Monitoring Method or Source	Target	Trigger threshold for action including consideration of Policy/Plan Review
SP1: Sustainable Minerals Development	All	1	Percentage of approved applications which are consistent with policy	Monitoring of planning application decisions	100% of approvals are consistent with policy	More than 1 application approved/ won on appeal contrary to policy in any one year
SP2: Climate Change	2,4,5,6, 7,8,9	2	Percentage of approved applications which are consistent with policy	Monitoring of planning application decisions	100% of approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year
SP3: The Supply of Recycled and Secondary Aggregates	1,2	3	The proportion of secondary or recycled material used as alternatives to primary aggregates stays the same or increases	Annual Monitoring survey for AWP, LAA (it is difficult to accurately monitor production)	Production of secondary and recycled aggregate stays the same or increases	The production of secondary and recycled aggregate falls over 2 consecutive years
SP4: The Supply of Sand and Gravel	1	4	Total reserves to be sufficient to maintain supply for at least 7 years at all times	Annual Monitoring Survey for AWP, LAA	To maintain a landbank of at least seven years	Landbank less than 7 years for 2 consecutive years

Policy	Objectives	Indicator Number (MO)	Indicator	Monitoring Method or Source	Target	Trigger threshold for action including consideration of Policy/Plan Review
SP4: The Supply of Sand and Gravel	1	5	Annual production compared to annual provision rate in plan (the figure is not a production target but is a factor in assessing relationship between production and plan provision)	Annual Monitoring survey for AWP, LAA	Annual production to achieve annual provision rate	Annual production significantly below/above annual provision rate for 2 consecutive years
SP5: Allocation of Sites for Sand and Gravel Extraction	1	6	Allocated sites receive planning approval	Monitoring of planning application decisions	Permission granted for allocated sites	Allocated Sites not coming forward for approval or refused planning permission
SP6: Other Sites for Sand and Gravel Supply	1	7	Other sites receive planning permission	Monitoring of planning application decisions	Permission granted for other sites.	More than 1 application for other sites granted permission. (Indication of allocated sites not coming forward or level of need significantly greater than plan provision)

Policy	Objectives	Indicator Number (MO)	Indicator	Monitoring Method or Source	Target	Trigger threshold for action including consideration of Policy/Plan Review
SP7: The Supply of Aggregate Crushed Rock	1	8	Total reserves to be sufficient to maintain supply for at least 10 years at all times	Annual Monitoring Survey for AWP, LAA	To maintain a landbank of at least 10 years	Landbank less than 10 years for 2 consecutive years
SP7: The Supply of Aggregate Crushed Rock	1	9	Annual production compared to annual provision rate in plan (the figure is not a production target but is a factor in assessing relationship between production and plan provision)	Annual Monitoring survey for AWP, LAA	Annual production to achieve annual provision rate	Annual production significantly below/above annual provision rate for 2 consecutive years
SP8: Helping to Reduce Quarrying in the PDNP	1,7	10	Continued reduction in supply of aggregates from Peak Park	Annual Monitoring Survey for AWP, LAA	To record a continued decline in aggregate output from the Peak Park	No decrease in PDNPA crushed rock aggregate landbank
SP9: The Supply of Building Stone	1	11	Percentage of approved applications which are consistent with policy	Monitoring of planning application decisions	100% of approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year

Policy	Objectives	Indicator Number (MO)	Indicator	Monitoring Method or Source	Target	Trigger threshold for action including consideration of Policy/Plan Review
SP10: Supply of Industrial Limestone	1	12	Percentage of approved applications which are consistent with policy	Monitoring of planning application decisions	100% approval for planning applications	More than 1 application approved/won on appeal contrary to policy in any one year
SP11: Allocation of land for industrial limestone Extraction Aldwark South	1	13	Allocated site receives planning approval	Monitoring of planning application decisions	Permission granted for allocated site	Allocated Site not coming forward for approval or refused planning permission
SP12: Supply of Cement Making Materials	1	14	Level of supply required for each manufacturing facility	Annual Monitoring	Stock of permitted reserves at each operational site equivalent to 15 years of primary (limestone) and secondary (clay/shale) material to support maintenance and improvement and 25 years for a new kiln to be calculated when a planning application is submitted or when new capital investment is proposed. The overall amount required should be directly linked to the scale of capital investment required to construct and operate the facility.	Level of supply drops below 15 years for 2 consecutive years.

Policy	Objectives	Indicator Number (MO)	Indicator	Monitoring Method or Source	Target	Trigger threshold for action including consideration of Policy/Plan Review
SP12: Supply of Cement Making Materials	1	15	Percentage of approved applications which are consistent with policy	Monitoring of planning application decisions	100% of approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year
SP13: Supply of Brick Clay	1	16	Level of supply required at each quarry to supply clay manufacturing facility.	Annual Monitoring	Stock of reserves at each operational site equivalent to 25 years to support the manufacture of brick or clay products to support the level of actual and proposed investment required to maintain or improve an existing plant or to provide a new kiln, to be calculated when a planning application is submitted or when new capital investment is proposed. The overall amount required should be directly linked to the scale of capital investment required to construct and operate the facility.	Level of supply drops below 25 years for 2 consecutive years.
SP13: Supply of Brick Clay	1	17	Percentage of approved applications which are consistent with policy	Monitoring of planning application decisions	100% of approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year

Policy	Objectives	Indicator Number (MO)	Indicator	Monitoring Method or Source	Target	Trigger threshold for action including consideration of Policy/Plan Review
SP14: Supply of Vein Minerals	1	18	Percentage of approved applications meet criteria of the policy	Monitoring of planning application decisions	100% of approvals are consistent with policy	More than 1 application approved/ won on appeal contrary to policy in any one year
SP15: Coal Extraction and Colliery Spoil Disposal	1	19	Percentage of approved applications meet criteria of the policy	Monitoring of planning application decisions	100% of approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year
SP16: Supply of Conventional and Unconventional Oil and Gas	1	20	Percentage of approved applications meet criteria of the policy	Monitoring of planning application decisions	100% of approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year
SP17: Mineral Resources Safeguarding and Consultation Areas	3	21	Percentage of relevant approved applications that do not have an adverse effect on the identified Mineral Safeguarding Areas	Monitoring of planning applications within Mineral Consultation Areas	100% of relevant approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year

Policy	Objectives	Indicator Number (MO)	Indicator	Monitoring Method or Source	Target	Trigger threshold for action including consideration of Policy/Plan Review
SP18: Safeguarding Minerals Related Infrastructure	3	22	Percentage of relevant approved development proposals that do not have an adverse effect on the safeguarded mineral related infrastructure	Monitoring of planning applications within Mineral Consultation Areas identified for safeguarding minerals infrastructure	100% of relevant approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year
SP19: Restoration of sand and gravel sites in River Valleys	9	23	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions	100% of approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year
PM1: Borrow Pits	1	24	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of relevant approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year

Policy	Objectives	Indicator Number (MO)	Indicator	Monitoring Method or Source	Target	Trigger threshold for action including consideration of Policy/Plan Review
OM2: Re-Working of Spoil Tips	1	25	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of relevant approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year
OM3: Incidental and Prior extraction of Clay	1	26	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of relevant approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year
OM4: Mineral Related Development	1,5,6	27	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of relevant approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year
OM5: Mineral Exploration	1	28	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of relevant approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year

Policy	Objectives	Indicator Number (MO)	Indicator	Monitoring Method or Source	Target	Trigger threshold for action including consideration of Policy/Plan Review
DM1: Protecting Local Amenity, Health, Well-Being and Safety	5,6	29	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of approvals which may have an impact on local amenity are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year
DM2: Criteria for Assessing the Benefits of Minerals Development Proposals	1,2,3, 6,8	30	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year
DM3: Transport	4,5,8	31	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year
DM4: Landscape	5,6,7, 8,9	32	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year

Policy	Objectives	Indicator Number (MO)	Indicator	Monitoring Method or Source	Target	Trigger threshold for action including consideration of Policy/Plan Review
DM5: Biodiversity and Geodiversity	6,8,9	33	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year
DM5: Biodiversity and Geodiversity	6,8,9	34	Percentage of approved proposals that provide significant biodiversity net gain and enhanced natural capital	Monitoring of planning application decisions and supporting information.	100% of approved proposals secure significant biodiversity net gain and enhancements to natural capital	More than 1 application approved/won on appeal contrary to policy in any one year
DM6: Trees, Woodland and Hedgerows	6,8,9	35	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year

Policy	Objectives	Indicator Number (MO)	Indicator	Monitoring Method or Source	Target	Trigger threshold for action including consideration of Policy/Plan Review
DM6: Trees, Woodland and Hedgerows	6,8,9	36	Percentage of approved proposals provide significant new tree planting or compensatory planting	Monitoring of planning application decisions and supporting information.	100% of relevant approvals secure significant new tree planting or compensatory planting	More than 1 application approved/won on appeal contrary to policy in any one year
DM7: Historic Environment and Archaeology	6,7	37	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year
DM8: Water Management and Flood Risk	5,6,8,9	38	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year
DM8: Water Management and Flood Risk	5,6,8,9	39	Percentage of approved proposals that include flood risk protection and flood resilience measures.	Monitoring of planning application decisions and supporting information.	100% of relevant approvals include flood risk protection and flood alleviation measures.	More than 1 application approved/won on appeal contrary to policy in any one year

Policy	Objectives	Indicator Number (MO)	Indicator	Monitoring Method or Source	Target	Trigger threshold for action including consideration of Policy/Plan Review
DM8: Water Management and Flood Risk	5,6,8,9	40	Percentage of approved proposals that include sustainable drainage systems.	Monitoring of planning application decisions and supporting information.	100% of relevant approvals proposals include sustainable drainage systems.	More than 1 application approved/won on appeal contrary to policy in any one year
DM9: Soil Quality and Agricultural Land	5,6,8	41	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year
DM10: Aviation Safety	5,9	42	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of relevant approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year
DM11: Green Belt	6	43	Percentage of approved proposals within the Green Belt meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of relevant approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year

Policy	Objectives	Indicator Number (MO)	Indicator	Monitoring Method or Source	Target	Trigger threshold for action including consideration of Policy/Plan Review
DM12: Green and Blue Infrastructure	5,6,8,9	44	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year
DM12: Green and Blue Infrastructure	5,6,8,9	45	Percentage of approved proposals that include measures to create, maintain and enhance green infrastructure	Monitoring of planning application decisions and supporting information.	100% of relevant approvals include measures to create, maintain and enhance green infrastructure.	More than 1 application approved/won on appeal contrary to policy in any one year
DM13: Public Access	5,8,9	46	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of approvals are consistent with policy	More than 1 application approved/won on appeal contrary to policy in any one year

Policy	Objectives	Indicator Number (MO)	Indicator	Monitoring Method or Source	Target	Trigger threshold for action including consideration of Policy/Plan Review
DM13: Public Access	5,8,9	47	Percentage of approved proposals that include improvements to the PROW network or increased public access.	Monitoring of planning application decisions and supporting information.	100% of relevant approvals include improvements to the PROW or increased public access.	More than 1 application approved/won on appeal contrary to policy in any one year
DM14: Cumulative Impacts	5,6,8,9	48	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of relevant approvals are consistent with policy	If more than 1 proposal approved in any one year goes against this policy
DM15: Restoration, Aftercare and After-Use	5,6,7,8,9	49	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of approvals are consistent with policy	If more than 1 proposal approved in any one year goes against this policy

Policy	Objectives	Indicator Number (MO)	Indicator	Monitoring Method or Source	Target	Trigger threshold for action including consideration of Policy/Plan Review
DM16: Planning Obligations	4,6,7,8, 9	50	Percentage of approved proposals meet criteria of the policy	Monitoring of planning application decisions and supporting information.	100% of approvals consistent with policy and granted subject to S106 where needed	If more than 1 proposal approved in any one year goes against this policy

Part 4:

Appendices and Glossary



Appendix A

SITE ALLOCATION PRINCIPAL PLANNING REQUIREMENTS

- A1 This Appendix applies to the sites proposed for allocation under the following policies of the local plan:
- Policy SP5 Allocation of Sites for Sand and Gravel Extraction – Foston, Sudbury, Elvaston, Swarkestone South and Swarkestone North.
 - Policy SP11 Allocation of Site for Industrial Limestone Extraction - Aldwark South.
- A2 It sets out the principal site-specific requirements that will need to be addressed as part of any planning application to work the allocated site. The requirements are not necessarily a comprehensive set of all the matters which will need to be addressed. Planning proposals will need to provide sufficient evidence to satisfy all policies of the development plan, where relevant.

FOSTON

Background

- A3 This is a greenfield site, representing a new operation for the extraction of sand and gravel. This generally level site is situated to the south of the A50, just to the west of Scropton village and to the south of Foston. Leathersley Lane forms its northern boundary and the railway line forms its southern boundary. It is about 71 hectares in size and is currently in agricultural use, predominantly as arable land. There are boundary hedgerows with mature, mainly, oak trees. A public footpath runs parallel to Leathersley Lane through part of the site.
- A4 It has estimated sand and gravel reserves of around 3.1 million tonnes. It would be worked at around 400,000-500,000 tonnes per annum over a six-year period from around 2030. The operator has indicated that the preferred location for the plant site and access would be towards the western part of the site, however, the precise location will be subject to more detailed consideration by the operator involving discussions with the Highways Service, but it has confirmed that all HGV traffic would be routed to the west to join the A50 at the Sudbury roundabout.

- A5 A wetland/water-based biodiversity restoration scheme is proposed with an element of improved public access. The Environment Agency had objected to this proposal at the previous consultation stage regarding the impact of working this site on the flood alleviation scheme. A revised boundary has since been proposed by the mineral operator, which will ensure the protection of the flood defence barrier and a potential flood storage scheme has been proposed to help reduce the impact of flooding on the local area. The revised scheme has been discussed with the Environment Agency which has withdrawn its objection as a result subject to the submission of an appropriate assessment at the planning application stage (which has been reviewed by a Reservoir panel engineer) which considers both the impact on the operation of the reservoir, and separately on fluvial flood risk, resulting from any proposed extraction area.

Principal Planning Requirements

- A6 The MPAs have carried out an assessment of the promoted site as part of the preparation of the local plan and consider that mineral extraction from the proposed site is likely to be acceptable in planning terms subject to the following issues having been addressed satisfactorily, which include:
- 1) An assessment of how the site would be developed and operated in such a way that the local community and environment are protected from significant adverse impacts – The nearest communities are the villages of Scropton, Foston and Sudbury. Leathersley Farm is located approximately 185m to the northwest of the site. This will include an assessment of visual impact (including light pollution), noise and vibration, dust and air quality.
 - 2) An ecological assessment of the designated sites, habitats, fauna and flora present on or adjacent to the site and/or potentially impacted by the site's development, and an evaluation of the impact of development upon species and habitats present on or adjacent to the site, and on the wider ecological network. The site is dominated by arable farming, and historic mapping would suggest that agricultural intensification has resulted in the removal of many internal hedges previously present on site. The remnant hedgerows on site do contain some hedgerow trees which may be of some interest, although the hedgerows otherwise appear to be intensively managed. Small areas of semi-natural habitat may persist at the southern end of the site, although there are no notable habitats or designated sites recorded within or immediately adjacent to the site.

Protected and notable species records are very limited within and around the site, with only one old record for water vole seemingly relevant.

- 3) An assessment of the effects on the historic environment including designated sites and settings and archaeological remains. There are two records for cropmarks within the site, suggestive of Iron Age/Romano-British field systems and enclosures. A number of palaeo-channels are also mapped. Two records of ridge and furrow appear to be ploughed out. The Dove Valley is associated with deep alluvial deposits which can blanket archaeological and palaeo-environmental remains, so the surface-visible resource may underestimate the true extent and complexity of buried remains.
- 4) Tutbury Castle (Scheduled Monument and Grade 1 listed) is 2.3km from the site. It is situated on a natural promontory with expansive views overlooking the floodplain of the River Dove, and the site forms an integral part of the setting of this monument. It will be vital therefore that the impact of the proposal on the setting of this designated monument is considered carefully. The following requirements (5-8) should be complied with to help ensure the protection of this asset.
- 5) To help ensure the protection of the setting of Tutbury Castle, the working of this site should be staged i.e., proposals will need to include a working and restoration scheme which provides for the working and progressive restoration of the site to minimise the amount of land disturbed at any one time.
- 6) The site will be expected to be worked and restored within eight years of commencement, to help ensure that the impact on this part of the setting of Tutbury Castle is for as short a time as possible.
- 7) The processing plant should be located in the eastern part of the site which offers greater potential for screening and is less prominent in views from Tutbury Castle than the more western part of the site. This will also help to protect the setting of Leathersley Farmhouse, a Grade II listed building, situated 200m from the western boundary of the site.
- 8) The site should be restored to recreate the existing landscape type, creating a natural flood plain setting, to help conserve the setting of Tutbury Castle. Evidence should be provided that the required fill material to enable this will be available.
- 9) The site is 2km from the Grade I Listed Sudbury Hall and its Grade II Registered Park. and although are generally screened from the site, the

sensitivity of this historic area means the potential impact of the proposal on this area should be considered carefully.

- 10) Appropriate evaluation and subsequent treatment of on-site archaeological and geo-archaeological/palaeo-environmental remains will be required.
- 11) The site lies in flood zone 3 which has the highest possibility of flooding but in accordance with PPG sand and gravel working is classed as water compatible development which is appropriate development in zone 3.
- 12) The site lies within a flood storage area constructed by the Environment Agency as part of the Lower Dove Flood Risk Management scheme in 2012/13. This scheme defends Scropton, Hatton and other villages downstream from flooding. A geotechnical assessment (which has been reviewed by a Reservoir panel engineer) of the potential impact of the development on the flood defences and reservoir will be required. This includes the Reservoir Flood Defence Embankment adjacent to the eastern boundary of the site and the part of the site which is included within the Lower Dove Flood Storage Scheme. This includes the Reservoir Flood Defence Embankment adjacent to the eastern boundary of the site and the part of the site which is included within the Lower Dove Flood Storage Scheme. Appropriate extraction area stand offs which will be subject to these assessments (minimum 16m), will be proposed as a result to ensure the protection of the flood defences.
- 13) A detailed flood risk assessment (FRA) to be provided showing how, through all development phases (Construction, Operation and Restoration), that there will be no impact upon the operation of the existing Lower Dove Flood Storage Scheme. Opportunities to provide betterment in flood risk, and other environmental enhancements at the restoration stage, should be explored, however these should not have any detrimental impact upon the existing Lower Dove Flood Storage Scheme.
- 14) A detailed management plan highlighting the necessary pollution mitigation measures during the construction and operation of the quarry to ensure the protection of watercourses, surface water quality and groundwater quality.
- 15) A plan showing how the restoration of the site will provide multifunctional environmental enhancements, including, but not limited to, reducing the impacts of flood risk to others, providing significant biodiversity net gain and providing water quality improvements.

- 16) Prior to making a planning application, applicants should discuss water abstraction issues with the Environment Agency.
- 17) Applicants should contact the Environment Agency to discuss any permitting requirements, and where required, should look to parallel track these permit applications alongside the planning application.
- 18) An assessment of the landscape and visual impact of the site, including the provision of suitable landscaping measures. The proposed allocation is located within the Riverside Meadows LCT; a landscape typically farmed as permanent pasture. Evidence suggests that there has been significant boundary loss as a result of agricultural intensification and today this site is comprised of a small number of very large arable fields. Hedgerows are well managed but lack hedgerow trees. In terms of visual impact, although Leathersley Farm is located approximately 185m to the north west and Scropton is approximately 190m to the east, the site is generally well contained by existing vegetation and would not be visible from these areas to any significant extent. Two residential properties on the western edge of Scropton lie about 200m from the eastern edge of the site and are the only properties that may have direct views onto a proportion of the site (the eastern third of the site). Views of the site are predominantly from Leathersley Lane and Brooms Lane and the railway, which runs along the southern boundary of the site. A public footpath also runs parallel to Leathersley Lane through part of the site from where views of the site would be evident. Views from Foston and the A50 to the north are obscured by dense woodland. Tutbury Castle and grounds, which is a scheduled monument and lies on higher ground to the south, could, potentially, have distant views of the site. Overall, there are some/few visual receptors and potentially large parts of the site would be visible given the lack of internal hedgerows.
- 19) A Transport Assessment would need to accompany any application to assess the impact of traffic generated by the site on the surrounding highway network, particularly A515/A50 junction and include details of proposed measures to ensure that HGV traffic generated by the development do not turn right out of the site towards Scropton and do not use the main road through Sudbury village. Leathersley Lane is within an area wide Weight Restriction and forming an access within the limit will give any HGV the legitimate right to 'access' the site via any of the routes throughout the restricted area. The means of access would therefore need to be located outside of the restriction, to direct HGVs via the suitable routes of A50 and A515. With the restriction starting immediately

on entering Leathersley Lane, this is likely to require a modification to the existing order, which would be subject to public consultation. Early engagement with the Local Highways Authority and National Highways will be required should planning applications be submitted for the sites at Sudbury and Foston.

- 20) If proposals come forward that would result in both Sudbury and Foston sites operating concurrently, then the Transport Assessment for the second site proposal that comes forward will need to assess the cumulative impacts on the Major Road Network and Strategic Road Network from both sites and demonstrate that these will be acceptable.
- 21) It will be necessary for a joint condition survey to be undertaken to agree the condition of the road before it accepts the additional HGV movements so that all parties understand the condition at the time of its first operation.
- 22) An account of the mitigation and compensation measures required to address environmental impacts, and of the biodiversity enhancement opportunities arising from the development, including its restoration and aftercare.
- 23) The restoration of the site should take into account the Restoration Strategy for the Trent Valley, as set out in Policy SP19, to help ensure that proposals for mineral working in the Trent, Derwent and Lower Dove Valleys show how the mitigation, restoration and aftercare of sand and gravel sites will fit in with this long-term restoration strategy for sand and gravel sites in the river valleys.

SUDBURY

Background

- A7 This 79.3 hectare site is situated between Leathersley Lane, which forms the northern boundary of the site, and the River Dove to the south. The railway forms the far southern boundary of the site with the River Dove just beyond. The A515 forms the western boundary, beyond which lies Sudbury village, including Sudbury Hall Park and Garden. It is relatively flat and open in character, being within the floodplain of the River Dove, and is in agricultural use, being divided into 12 small fields, with the majority of fields being for arable production and others used for livestock grazing. Many of the field boundaries are of hedgerows and standard trees. There are lines of willow trees and a wildlife site in the south western part of the site, close to the River Dove.

- A8 The yield of the site would be around 2 million tonnes of sand & gravel, extracted over a period of 7-8 years from an extraction area of around 60 hectares. This equates to an annual output of between 250,000 and 300,000 tonnes.
- A9 The access is likely to be close to the junction of Leathersley Lane with the A515 in the north west corner of the site. The processing plant is also likely to be in the north west part of the site to minimise product haulage distance and flood risk.
- A10 Restoration is likely to be mainly to water-based uses with a high nature conservation/biodiversity component.

Principal Planning Requirements

- A11 The MPAs have carried out an assessment of the promoted site as part of the preparation of the local plan and consider that mineral extraction from the proposed site is likely to be acceptable in planning terms subject to the following issues having been addressed satisfactorily, which include:
- 1) An assessment of how the site would be developed and operated in such a way that the local community and environment are protected from significant adverse impacts – the nearest community is the village of Sudbury 300m to the north west of the site. This will include an assessment of visual impact (including light pollution), noise and vibration, dust and air quality. Leathersley Farm is located adjacent to the north east boundary of the site. Given the flat topography, large tracts of the site would be visible from these and other individual properties in the surrounding area, although visibility would be less from receptors to the west as a result of the lines of willow trees in the south west section of the site. There could also be higher level views from Tutbury Castle, which is a scheduled monument. No public rights of way cross the site.
 - 2) An ecological assessment of any designated sites, habitats, fauna and flora present on or adjacent to the site and/or potentially impacted by the site's development, and an evaluation of the impact of development upon species and habitats present on or adjacent to the site, and on the wider ecological network. The site assessment showed that the site has limited priority ecological value with the exception of the Wildlife Site (a feature which could be enhanced). There are some established hedgerows, though not generally species rich and some mature oak and ash – possible veterans.

- 3) An assessment of the effects on the historic environment including designated sites and settings and archaeological remains. Leathersley Farmhouse is (Grade II Listed) immediately adjacent to the site and a buffer zone would be required to help protect this asset from the impacts of quarrying. Sudbury Hall (Grade I Listed) is within 1km, with its Grade II Registered Park at around 740m. The proposal could have an impact on Sudbury conservation area and the setting of the Grade I Sudbury Hall and its Grade II Registered Historic Park and Garden and consideration should be given to this.
- 4) In terms of archaeology, there are HER records for earthwork ridge and furrow within the site although there is evidence this appears to have been ploughed out. The Dove is a very active floodplain with substantial alluviation, and there is consequently potential for geo-archaeology (palaeochannels etc) with well-preserved remains and early archaeology beneath the alluvium. Appropriate evaluation and subsequent treatment of on-site archaeological and geo-archaeological/palaeo-environmental remains will be required.
- 5) An assessment of the effects of the development on the water environment. The site lies in flood zone 3 which has the highest possibility of flooding but in accordance with PPG sand and gravel working is classed as water compatible development which is considered to be appropriate development in flood zone 3.
- 6) The site straddles a flood defence embankment which controls flows into a flood storage area, constructed by the Environment Agency as part of the Lower Dove Flood Risk Management scheme in 2012/13. This scheme defends Scropton, Hatton and other villages downstream from flooding. A detailed assessment of the potential impact of the development on these flood defences will have to be undertaken as part of any submission for the development of this site. Development will only be acceptable where these detailed assessments show no impact upon the existing flood defences and the wider operation of the Lower Dove Flood Defence Scheme. Should planning permission be granted, appropriate extraction area stand offs, which will be subject to these assessments (minimum 16m), will be proposed to ensure the protection of the flood defences.
- 7) A detailed flood risk assessment (FRA) showing how, through all development phases (construction, operation and restoration), that there will be no impact upon the operation of the existing Lower Dove Flood Storage Scheme. Opportunities to provide betterment in flood risk, and

other environmental enhancements at the restoration stage, should be explored, however these should not have any detrimental impact upon the existing Lower Dove Flood Storage Scheme.

- 8) A detailed management plan highlighting the necessary pollution mitigation measures during the construction and operation of the quarry to ensure the protection of watercourses, surface water quality and groundwater quality.
- 9) A plan showing how the restoration of the site will provide multifunctional environmental enhancements, including, but not limited to, reducing the impacts of flood risk to others, providing significant biodiversity net gain and providing water quality improvements.
- 10) Prior to making a planning application, applicants should discuss water abstraction issues with the Environment Agency.
- 11) Applicants should contact the Environment Agency to discuss any permitting requirements, and where required, should look to parallel track these permit applications alongside the planning application
- 12) An assessment of the landscape and visual impact of the site, including the provision of suitable landscaping measures. The site is dominated by small scale arable fields enclosed by hedgerows with scattered hedgerow trees. The site retains a strong landscape character with an intact network of small fields, albeit land use has changed from meadow to arable with the loss of associated ridge and furrow. In terms of visual impact, given the flat topography, large tracts of the site would be visible from the properties and roads close to the site, although visibility would be less from receptors to the west as a result of the lines of willow trees in the south west section of the site. There could also be higher level views from Tutbury Castle, which is a scheduled monument.
- 13) A Transport Assessment would need to accompany any application to assess the impact of traffic generated by the site on the surrounding highway network, particularly the A515/A50 junction and include details of proposed access measures to ensure that HGV traffic generated by the development would not turn right out of the site along Leathersley Lane towards Scropton and would not use Main Road through Sudbury village and Conservation Area, including (as far as possible) at times when traffic is diverted through the village due to a temporary closure on the A50. Further safety improvements at Sudbury roundabout should be considered. Leathersley Lane is within an area wide Weight Restriction and forming an access within the limit will give any HGV the legitimate

right to ‘access’ the site via any of the routes throughout the restricted area. The means of access would therefore need to be located outside the restriction, to direct HGVs via the suitable routes of A50 and A515. With the restriction starting immediately on entering Leathersley Lane, this is likely to require a modification to the existing order, which would be subject to public consultation. Early engagement with the Local Highways Authority and National Highways will be required should planning applications be submitted for the sites at Sudbury and Foston.

- 14) If proposals come forward that would result in both Sudbury and Foston sites operating concurrently, then the Transport Assessment for the second site proposal that comes forward will need to assess the cumulative impacts on the Major Road Network and Strategic Road Network from both sites and demonstrate that these will be acceptable.
- 15) Additional HGVs can result in increased maintenance requirements, and it will be necessary for a joint condition survey to be undertaken to agree the condition of the road before it accepts the additional HGV movements so that all parties understand the condition at the time of the site’s first operation.
- 16) An account of the mitigation and compensation measures required to address environmental impacts, and of the biodiversity enhancement opportunities arising from the development, including its restoration and aftercare.
- 17) The restoration of the site should take into account the Restoration Strategy for the Trent Valley, as set out in Policy SP19, to help ensure that proposals for mineral working in the Trent, Derwent and Lower Dove Valleys show how the mitigation, restoration and aftercare of sand and gravel sites will fit in with this long-term restoration strategy for sand and gravel sites in the river valleys.

SWARKESTONE NORTH

Background

- A12 This is a proposed extension to the operational Swarkestone Quarry. The site is 100 hectares in size and is situated between the existing quarry to the east and Twyford village to the west. The River Trent forms the southern boundary of the site and the A5132 the northern boundary. It is generally level, open terrain, being within the floodplain of the River Trent. It is currently in agricultural use with a mix of arable and grazing uses.

- A13 It is estimated that this site would yield 4.5 million tonnes of sand and gravel from deposits with an average depth of 4 metres. Deposits have been classified as being of medium to high quality. The operator estimates that the annual output would be 300,000 tonnes, and the material would be extracted over a 15-year period.
- A14 It is proposed to continue to use the existing processing plant and access road. The excavated material would be transported to the plant by truck or conveyor. The access joins the A5132 and lorries would generally then travel east onto the A514 before joining the A50.
- A15 The site would be restored to mainly water-based end uses, with a focus on nature conservation and wildlife biodiversity.

Principal Planning Requirements

A16 The MPAs have carried out an assessment of the promoted site as part of the preparation of the local plan and consider that mineral extraction from the proposed site is likely to be acceptable in planning terms subject to the following issues having been addressed satisfactorily, which include:

- 1) An assessment of how the site would be developed and operated in such a way that the local community and environment are protected from significant adverse impacts. There are several properties which have the potential to be affected by the working of this site. There are properties in Twyford to the north-west and several individual residential properties to the north of the site, including a number of dwellings at the converted Poplars Farm and Fields Farm, which stand close to the northern site boundary of the site. Part of the site is also visible from properties in Ingleby to the south.
- 2) An ecological assessment of any designated sites, habitats, fauna and flora present on or adjacent to the site and/or potentially impacted by the site's development, and an evaluation of the impact of development upon species and habitats present on or adjacent to the site, and on the wider ecological network. The majority of site is arable land with localised improved pasture adjacent to Twyford and possibly semi-improved in field by the river with palaeochannels. There are limited mature/veteran trees in centre of the site. There are no records for priority habitats on this site.
- 3) An assessment of the effects on the historic environment, including designated sites and settings and archaeological remains. In terms of designations, the 'Round Hill' henge and barrow, designated as a Scheduled Monument is located in the northern part of the site.

Consideration will need to be given to the setting of this monument with a view to providing additional stand-offs to protect its setting. Consideration should be given to the protection of heritage assets at Twyford.

- 4) In terms of archaeology, cropmarks are recorded north and south of the scheduled monument. Localised palaeochannels are present and evident along the southern fringe of the site, visible as an existing stream line. Appropriate evaluation and subsequent treatment of on-site archaeological and geo-archaeological/palaeo-environmental remains will be required to be undertaken.
- 5) An assessment of the effects of the development on the water environment. The site lies in flood zone 3 which has the highest possibility of flooding but in accordance with PPG sand and gravel working is classed as water compatible development which is appropriate development in flood zone 3. There should be no excavations within 45 metres of the River Trent, or flood defences, particularly around meanders which are a zone of active erosion.
- 6) A detailed flood risk assessment (FRA) showing how, through all development phases (Construction, Operation and Restoration), that there will be no increase in flood risk to the site and to others. Opportunities to provide betterment in flood risk, and other environmental enhancements at the restoration stage, should be explored.
- 7) A detailed management plan highlighting the necessary pollution mitigation measures during the construction and operation of the quarry to ensure the protection of watercourses, surface water quality and groundwater quality.
- 8) A plan showing how the restoration of the site will provide multifunctional environmental enhancements, including, but not limited to, reducing the impacts of flood risk to others, providing significant biodiversity net gain and providing water quality improvements. It will also be required to show specific sensitively designed restoration to enhance the currently degraded setting of the Round Hill Scheduled Monument.
- 9) Prior to making a planning application, applicants should discuss water abstraction issues with the Environment Agency.
- 10) An assessment of the landscape and visual impact of the site, including the provision of suitable landscaping measures. In terms of the landscape, the site crosses two Landscape Character Types but is poorly representative of each. The majority of the land is usually down to arable with some localised pasture associated with smaller fields adjacent to

Twyford and immediately adjacent to the River Trent. Hedgerows are generally poor, in some places missing and generally species poor. There is a general lack of tree cover associated with field boundaries and the river. Trees are mostly associated with the semi-improved areas near the river. The overall condition of the site is considered to be average to poor. There is an isolated burial mound and some localised ridge and furrow (poor condition) within the site. In terms of visual impact, there are several properties from which the site is visible. There are properties in Twyford to the north-west and several individual residential properties to the north of the site, including properties at Poplars Farm and Fields farm on Twyford Road, close to the northern site boundary of the site. Part of the site is also visible from properties in Ingleby to the south.

- 11) A Transport Assessment would need to accompany any application to assess the access to this site and the impact of traffic generated by the site on the surrounding highway network. It is expected that this site would be worked through the existing plant and access arrangements so the impact on the surrounding area in this respect is likely to be unchanged.
- 12) An account of the mitigation and compensation measures required to address environmental impacts, and of the biodiversity enhancement opportunities arising from the development, including its restoration and aftercare.
- 13) To help ensure the continued safe operation of overhead electricity transmission lines, the applicant will be required to discuss its proposals with National Grid.
- 14) The restoration of the site should take into account the Restoration Strategy for the Trent Valley, as set out in Policy SP19, to help ensure that proposals for mineral working in the Trent, Derwent and Lower Dove Valleys show how the mitigation, restoration and aftercare of sand and gravel sites will fit in with this long-term restoration strategy for sand and gravel sites in the river valleys.

SWARKESTONE SOUTH

Background

- A17 This is an extension to the existing active Swarkestone Quarry. The 79 hectare site is situated to the west of the current operational Swarkestone Quarry, to the south of the River Trent. The western boundary is formed by a private access road and the southern boundary by a brook. Repton village is situated to the south-west and Ingleby and Foremark villages to the south-east. Being

within the floodplain of the River Trent, the terrain is generally flat and open. It is in agricultural use, predominantly as pastureland, with a number of hedgerows and mature/semi-mature hedgerow trees.

- A18 Taking account of proposed stand offs, the proposed extraction area would be around 70 hectares. It has been estimated that the site would yield saleable reserves of over 2.5 million tonnes of sand and gravel from deposits that average 3.5 metres in depth.
- A19 Annual output is estimated at 300,000 tonnes. The lifespan of the site is estimated as being around 8-9 years.
- A20 The company proposes that the existing processing plant would be used and that the existing access road onto the A5132 would also be used. The mineral would be transported across the River Trent using the temporary bridge. It is estimated that there would be about 110 lorry movements per day from/to the site.
- A21 The site would be restored to mainly water-based end uses, with a focus on nature conservation and wildlife biodiversity.

Principal Planning Requirements

- A22 The MPAs have carried out an assessment of the promoted site as part of the preparation of the local plan and consider that mineral extraction from the proposed site is likely to be acceptable in planning terms subject to the following issues having been addressed satisfactorily, which include:
 - 1) An assessment of how the site would be developed and operated in such a way that the local community and environment are protected from significant adverse impacts, taking account of the following. Properties at Twyford have partial views across the river of part of the site. A residential nursing home adjoins the site to the west and has open views of the western part of the site. There are seven properties at the converted Old Waterworks and three at the converted New Waterworks which have open views of the site. There are also views from Anchor Church (historic caves) to the south-east of the site boundary and from a few properties in Ingleby and Foremark, including Foremark Preparatory School and also from Ingleby Road. A Public Right of Way (PROW) runs along the eastern boundary of the site and this forks to the north-west through the site. Meadow Lane is also a PROW, which is used on a frequent basis. The majority of the site is visible from these PROW.

- 2) An ecological assessment of any designated sites, habitats, fauna and flora present on or adjacent to the site and/or potentially impacted by the site's development, and an evaluation of the impact of development upon species and habitats present on or adjacent to the site, and on the wider ecological network. Hedgerows are intact and close cut, but are species poor, lacking notable hedgerow trees. Prominent trees and mixed species hedge (oak and some poor ash) associated with the green lane on the eastern boundary of the site. A stream runs west to east, lined with mature alder/willow. Some palaeochannels exist in improved pasture. Although limited in extent there remain some valuable characteristic habitats of a Natural Area.
- 3) An assessment of the effects on the historic environment, including designated sites and settings and archaeological remains. In terms of designated sites, Grade II Listed 'Anchor Church' is close to the site, with designed views over the extraction site associated with the cave's re-interpretation within the 18th century park at Foremark Hall. Additional stand-off areas, using existing field boundaries will be required to create a landscape buffer to help protect the group of heritage assets at Twyford. This would require detailed discussions with the Council's Planning and Archaeology Officers.
- 4) In terms of archaeology, there is possibly some remnant ridge and furrow and indications of the parish boundary. There are also visible palaeochannels within the site. Appropriate evaluation and subsequent treatment of on-site archaeological and geo-archaeological/palaeo-environmental remains will be required.
- 5) An assessment of the effects of the development on the water environment. The site lies in flood zone 3 which has the highest possibility of flooding but in accordance with PPG, sand and gravel working is classed as water compatible development, which is classified appropriate development in flood zone 3. There should be no excavations within 45 metres of the River Trent, or flood defences, particularly around meanders which are a zone of active erosion.
- 6) A detailed flood risk assessment (FRA) showing how, through all development phases (Construction, Operation and Restoration), that there will be no increase in flood risk to the site and to others. Opportunities to provide betterment in flood risk, and other environmental enhancements at the restoration stage, should be explored.

- 7) A detailed management plan highlighting the necessary pollution mitigation measures during the construction and operation of the quarry to ensure the protection of watercourses, surface water quality and groundwater quality.
- 8) A plan showing how the restoration of the site will provide multifunctional environmental enhancements, including, but not limited to, reducing the impacts of flood risk to others, providing significant biodiversity net gain and providing water quality improvements.
- 9) Prior to making a planning application, applicants should discuss water abstraction issues with the Environment Agency.
- 10) An assessment of the landscape and visual impact of the site, including the provision of suitable landscaping measures. In terms of the landscape, the site is poorly representative of the established character of the Riverside Meadows Landscape Character Type, with large parts of the site now down to arable or improved pasture. Hedgerows are mostly intact and close cut, generally species poor and lacking in notable hedgerow trees. The most prominent trees (oak and some poor quality ash) are associated with the green lane on the eastern boundary of the site and connects to the river. There is some localised ridge and furrow and palaeochannels within areas of improved pasture and a small section of mixed species hedgerow associated with the green lane. Overall, the landscape character is considered to be weak, although there are some attractive features, some of which are in good condition. In terms of visual impact, there are a number of residential properties in close proximity to the site which will need to be considered. The undulating topography to the south screens the majority of site from Repton and Milton. A Public Right of Way (PROW) runs along the eastern boundary of the site and this forks through the north-west section of the site. Meadow Lane, which forms the western boundary of the site is also a PROW. The majority of the site is visible from both of these public rights of way.
- 11) A Transport Assessment would need to accompany any application to assess the access to this site and the impact of traffic generated by the site on the surrounding highway network. It is expected that this site would be worked through the existing plant and access arrangements so the impact on the surrounding area in this respect is likely to be unchanged.
- 12) An account of the mitigation and compensation measures required to address environmental impacts, and of the biodiversity enhancement

opportunities arising from the development, including its restoration and aftercare.

- 13) To help ensure the continued safe operation of overhead electricity transmission lines, the applicant will be required to discuss its proposals with National Grid.
- 14) The restoration of the site should take into account the Restoration Strategy for the Trent Valley, as set out in Policy SP19, to help ensure that proposals for mineral working in the Trent, Derwent and Lower Dove Valleys show how the mitigation, restoration and aftercare of sand and gravel sites will fit in with this long-term restoration strategy for sand and gravel sites in the river valleys.

ELVASTON

Background

- A23 The 50-hectare site is proposed as an extension to the existing quarry. It is located within the Green Belt to the north-west of the yet to be worked site, which received planning permission for sand and gravel extraction in 2013 and would continue the westerly movement of Elvaston Quarry along the Derwent Valley.
- A24 The site boundaries are well defined, its eastern boundary following the western boundary of the recently permitted area, its northern boundary follows the River Derwent, its western boundary follows the B5010 and its southern boundary follows an existing hedgerow. The northern part of the site, south of the River Derwent and directly north-east of Elvaston Castle, comprises unimproved pasture and remnant hedgerows. The central area is predominantly arable fields with improved pasture to the south. There are occasional scattered trees of varying age and condition, a group of willows and evidence of lost hedgerows. Hedgerow condition is very variable.
- A25 It is proposed to work some 1,500,000 tonnes of sand and gravel from a net excavation area measuring 40ha i.e. an estimated yield of tonnes per hectare 37,500 tph. The average depth of the deposit is 2.5 metres.
- A26 The estimated yield figure would be 1,500,000 tonnes. With a proposed annual output of around 300,000, this would give a lifespan for the site of approximately 5 years. The proposed timings of the workings are currently unknown.

- A27 The site would be worked as the current site but with an extended conveyor system to serve this area. The site would be worked through the existing plant, which would need to be refurbished, and utilising existing access arrangements. Access to the plant site would be gained via a new conveyor tunnel to be constructed under Ambaston Lane and via an over ground conveyor through 'Elvaston Avenue' and across a culvert to be constructed over Ambaston Brook. All lorries would leave the plant site via the existing access road and would turn right, onto London Road, joining the main road network at Thulston Roundabout. No delivery vehicles would pass through Shardlow, or travel on Ambaston Lane or the B5010 to Borrowash.
- A28 Restoration is likely to be mainly to water-based uses with a high nature conservation/biodiversity component.

Principal Planning Requirements

- A29 The MPAs have carried out an assessment of the promoted site as part of the preparation of the local plan and consider that mineral extraction from the proposed site is likely to be acceptable in planning terms subject to the following issues having been addressed satisfactorily, which include:
- 1) An assessment of how the site would be developed and operated in such a way that the local community and environment are protected from significant adverse impacts, taking into account the location of the site within the Green Belt and therefore the need to maintain the openness of area. Some properties on the southern edge of Borrowash, may have views across the northern part of the site. Beechwood camping/caravan site which lies to the south of the site would be screened by trees/hedgerows on its northern boundary. There are open views from several residential properties and from the main entrance to Elvaston Castle and Country Park which lie immediately across the road which forms the western boundary.
 - 2) An ecological assessment of any designated sites, habitats, fauna and flora present on or adjacent to the site and/or potentially impacted by the site's development, and an evaluation of the impact of development upon species and habitats present on or adjacent to the site, and on the wider ecological network. There is unimproved pasture and remnant hedgerows on the northern part of the site adjacent to the River Derwent. Arable fields are in the centre of the site and improved pasture to south. There are occasional scattered trees of varying age and condition and a group of willows and evidence of lost hedgerows. The condition of

hedgerows is generally variable. There are no records of designated wildlife sites.

- 3) An assessment of the effects on the historic environment, including designated sites and settings and archaeological remains. In terms of designated sites and settings, Elvaston Castle Country Park is situated across the road from the site's western boundary and forms a well-used and valuable local recreational amenity. The Castle and Gardens are Grade II* Listed Buildings. The Eastern Avenue, which adjoins the southern boundary is an integral component of the gardens. A significant stand-off would be required to create a landscape buffer to help protect the setting of this historic asset. This would require detailed discussions with the Council's Planning and Archaeology Officers.
- 4) In terms of archaeology, there are some remnants of ridge and furrow adjacent to the river. There are vestigial remains elsewhere of once very extensive open fields. There are palaeochannels adjacent to the river which may have considerable potential. Appropriate evaluation and subsequent treatment of on-site archaeological and geo-archaeological/palaeo-environmental remains would be required.
- 5) An assessment of the effects of the development on the water environment. The site lies in flood zone 3 which has the highest possibility of flooding but in accordance with PPG, sand and gravel working is classed as water compatible development, which is classified appropriate development in flood zone 3. There should be no excavations within 45 metres of the River Trent, or flood defences, particularly around meanders which are a zone of active erosion.
- 6) A detailed flood risk assessment (FRA) showing how, through all development phases (Construction, Operation and Restoration), that there will be no increase in flood risk to the site and to others. Opportunities to provide betterment in flood risk, and other environmental enhancements at the restoration stage, should be explored.
- 7) A detailed management plan highlighting the necessary pollution mitigation measures during the construction and operation of the quarry to ensure the protection of watercourses, surface water quality and groundwater quality.
- 8) A plan showing how the restoration of the site will provide multifunctional environmental enhancements, including, but not limited to, reducing the impacts of flood risk to others, providing significant biodiversity net gain and providing water quality improvements.

- 9) Prior to making a planning application, applicants should discuss water abstraction issues with the Environment Agency.
- 10) An assessment of the landscape and visual impact of the site, including the provision of suitable landscaping measures. The northern part of the site directly south of the River Derwent and north-east of Elvaston Castle comprises of unimproved pasture with remnant hedgerows. The central area is predominantly arable fields with improved pasture to the south. There are occasional scattered trees of varying age and condition, a group of willows and evidence of lost hedgerows. Hedgerow condition is very variable. The proposed site has a few characteristics that accord with the established character of the *Riverside Meadows* and the condition is considered to be generally poor.
- 11) A Transport Assessment would need to accompany any application to assess the access to this site and the impact of traffic generated by the site on the surrounding highway network. It is expected that this site would be worked through the existing plant and access arrangements so the impact on the surrounding area in this respect is likely to be unchanged.
- 12) An account of the mitigation and compensation measures required to address environmental impacts, and of the biodiversity enhancement opportunities arising from the development, including its restoration and aftercare.
- 13) The restoration of the site should take into account the Restoration Strategy for the Trent Valley, as set out in Policy SP19, to help ensure that proposals for mineral working in the Trent, Derwent and Lower Dove Valleys show how the mitigation, restoration and aftercare of sand and gravel sites will fit in with this long-term restoration strategy for sand and gravel sites in the river valleys.

ALDWARE SOUTH

Background

- A30 The long established Brassington Moor Quarry, operated by Longcliffe Quarries Ltd, lies within the Carboniferous Limestone Resource centred on the Matlock/Wirksworth area. The quarry complex straddles the B5056 Grangemill to Longcliffe road, it comprises to the south of the road the processing plant together with three of the four quarry units known as Main, Barnfield and Pyro quarries. To the north of the road and linked to the rest of the quarry and processing plant by an under-road tunnel, is the fourth unit known as Aldware

quarry. The proposed allocation site is an extension to this quarry and is known as Aldwark South. To the immediate east of the main quarry complex and sharing a common boundary is Grangemill Quarry.

- A31 Longcliffe Quarries Ltd primarily produces high purity limestone for specialist markets; the limestone is processed via on site processing plant and despatched off site in dedicated road tankers/transport. Some of the products produced require exacting specifications which impacts on the suitability of reserves at the quarry and dictates that extraction operations take place at various locations within the quarry complex dependent on customers' requirements.
- A32 Every tonne of stone lifted from the quarry face contains the full range of stone types to some degree. To deal with these complexities there is a continual quality monitoring and matching control system that streams from the deposit to each plant and its end use. Historically, the business has been developed using the benefit of three or four different quarries in each of which may be two extraction benches are working. Typically, this allows 6 or 8 choices of source stone; it is not practicable to open more than two benches per quarry.
- A33 The Company essentially produces dried, milled and classified calcium carbonate powders and granules. These are crucial raw materials for the production of animal feed, glass, sealants and adhesives, mastics, plastics and rubber. It also produces bright (white) dusts for precast concrete products and significant volumes of agricultural lime. By-products from these mainstream products are also sold for construction uses. Production rates have increased in recent years averaging above 1mt with approximately 70% used for industrial purposes and 30% used for aggregates.
- A34 The need for additional reserves during the plan period is to provide mineral that is low in cadmium, iron and lead which occur at different locations and depths throughout the quarry but which are vital for the production of animal feed products and for use in glass manufacture. The Company estimates that these reserves will be exhausted between 2025 and 2031. It is promoting an extension to the quarry, Aldwark South which measures 25 Ha and would yield approximately 24 mt of reserve. Exploration has concluded that the geology of the proposed extension is very similar to the area currently being worked; overall the reserve has a very high calcium carbonate content and would yield 18% low cadmium reserves, 19% low iron reserves and 63% low lead reserves. The reserves would be worked and processed via the existing permitted plant and access arrangements.

Principal Planning Requirements

A35 The MPAs have carried out an assessment of the promoted site as part of the preparation of the local plan and consider that mineral extraction from the proposed site is likely to be acceptable in planning terms subject to the following issues having been addressed satisfactorily which include:

- 1) An assessment of how the site would be developed and operated in such a way that the local community and environment are protected from significant adverse impacts – The nearest communities are the villages of Aldwark and Longcliffe which lie approximately 500 metres away to the north and south west of the site respectively. The hamlet of Ible lies on the hillside above the Via Gellia some 1.5km away to the east of the site. Residential and industrial uses are present at Manor Farm which lies some 350m to the south of the site.

There are two important long distance recreational routes, the High Peak Trail which forms part of the Midshires Way and the Limestone Way which lie to the south and east of the site at approximately 500 and 400 metres respectively. Harboro Rocks viewpoint lies some 1km to the south east of the site. The Peak District National Park boundary abuts the north western corner of the promoted site which forms part of the wider setting of the National Park.

- 2) An ecological assessment of the designated sites, habitats, fauna and flora present on or adjacent to the site and/or potentially impacted by the site's development, and an evaluation of the impact of development upon species and habitats present on or adjacent to the site, and on the wider ecological network - The promoted site does not include any land designated for its ecological interest. The key ecological receptors in this area are the ancient woodlands of the Via Gellia SSSI/SAC complex which lies approximately 1km to the east of the site. A small area of woodland protected by a Tree Preservation Order (TPO) is located on the site and other TPOs are located close by. Habitats within the site appear to consist of managed farmland unlikely to be of significant ecological interest in its own right, although great crested newts have been recorded from within and adjacent to the site. Impacts on this European Protected Species would need consideration and mitigation as part of any planning application, if a need is proven.
- 3) An assessment of the effects on the historic environment including designated sites and settings and archaeological remains. An initial Heritage Impact Assessment (HIA) has been carried out which identifies

that whilst some scheduled monument sites e.g., Moot Low barrow and Harboro Rocks cave, lie within the wider surroundings of the site, impacts would not be significant and could be satisfactorily managed through reinstating the site to a naturalistic landform which, for example, would reinstate the historic viewsheds from Moot Low to the north. The site has four entries on the County Council's Historic Environment Record (HER) relating to prehistoric and mining archaeology, on-site impacts should be managed through the requirement for a robust programme of archaeological assessment, evaluation and recording before and during extraction.

- 4) An assessment of the effects of the development on the water environment – the site lies in flood zone 1 which has the lowest possibility of flooding and in accordance with PPG mineral working is classed as 'less vulnerable' development which is appropriate development in zone 1. However mineral working should not increase flood risk elsewhere and needs to be designed, worked and restored accordingly. The site lies on Carboniferous Limestone which is classed as a major aquifer and within a Groundwater Source Protection Zone 1 for a public water supply. Protection zones are designated for important groundwater abstraction sources such as wells, boreholes and springs used for drinking water supply. It is important, within these zones, not to interrupt the flow or to pollute the groundwater. Planning proposals will need to be able to demonstrate that the proposal does not pose an unacceptable risk to the water regime and that any adverse impacts can be adequately mitigated. Suitable investigations and assessments will be required to ensure the protection of controlled waters.

Additionally the current planning permission²³³ which the quarry operates under, is subject to a section 106 agreement which requires the off-site monitoring of surface water in relation to any impacts of working on the wider Via Gellia/Peak District Dales SSSI/SAC ecological complex; this matter will need to be addressed in any planning application. The HRA undertaken to support the Plan indicates that as a safeguard an updated hydrological study should be undertaken to reaffirm that no adverse effect on the Via Gellia stream (and thus no likely significant effect on wider Via Gellia/Peak District Dales SSSI/SAC ecological complex) will arise. It also advises that the off-site monitoring of surface water required under

²³³ CM3/1205/156 Extension to Brassington Moor Quarry and continued extraction and processing of limestone in existing quarry and restoration of the whole site, granted 24 12 2008.

a section 106 agreement should continue. Prior to making a planning application, applicants should discuss water abstraction issues with the Environment Agency.

- 5) An assessment of the landscape and visual impact of the site including the provision of suitable landscaping measures – the initial assessment concluded that there would be potentially significant adverse effects on sensitive visual receptors including recreational users of the High Peak Trail, Limestone Way and Harboro Rocks including locations that get little or no view of the current quarry development. There may also be some visual impacts on isolated properties close to Aldwark including Middle Hills Farm camping and caravan site and the village of Ible; additionally there are footpaths and roads in these areas from which the promoted site may be visible. Any impacts will also be in the context of the existing quarry and the adjoining Grangemill quarry which already exert significant adverse visual effects on surrounding sensitive visual receptors. The promoted site abuts the PDNP boundary forming part of its immediate setting and large parts of the site will be clearly visible from it.

Following on from this assessment, further work has been undertaken by the Operator in liaison with the County Council to provide more detail on the potential impact of working the site on the surrounding visual receptors/landscape including impacts on the PDNP. The photographic material and Zone of Theoretical Visual (ZTV) analysis confirms that visual impacts are likely to be confined to the local landscape with receptors to the south and south-east most likely to be affected by the proposed allocation especially those recreational users of the High Peak Trail, Limestone Way and Harboro Rocks. There are vantage points to the north, within the Peak District National Park, where the allocation area is also visible but this visibility would be confined to the north-western extent of this area and would be viewed at distance and within the context of the established quarry complex. A 'Mitigation Strategy' has been submitted by the Operator containing a range of techniques that could be applied to the progressive working and restoration of the site to assist in mitigating those impacts. Key techniques that any planning application to work the site would need to include are:

- A phased sequence of working and restoration which prioritises early rollover restoration of the western perimeter face;
- Temporary screen bunds which take advantage of the local topography to temporarily reduce the visibility of the extraction areas;

- A strategy for tree and woodland planting along the B5056 corridor which reflects the Derbyshire County Council and PDNPA strategies for the local landscape character including:
 - Further improvement to planting around the Curzon Lodge site to mitigate cumulative impacts;
 - Retention of the woodland/coppice block close to the southern boundary of the extension area for as long as possible as part of the phased development of the area;
 - Woodland planting on the western and southern boundaries of the proposed allocation site;
 - Planting in key areas of the landscape to the east of the B5056;
- A comprehensive management plan for all new tree planting and existing tree planting associated with the quarry site to take into account the impact of Chalara ash die back;
- Introduction of a diverse habitat mix through the implementation of a pre-designed 'green infrastructure' strategy which includes areas of calcareous grassland where appropriate and particularly on steeper slopes in accordance with the PDNPA White Peak Landscape Character Area Strategy.

The mitigation of landscape and visual impacts on sensitive receptors and the PDNP is a key issue that any planning application would need to address.

- 6) A transport assessment including an assessment of the existing access arrangements and the potential impact upon the Strategic Road Network – the last planning permission for a major extension to the existing quarry was granted in 2007 when a comprehensive assessment of transport matters took place. Since then, the Company has indicated that the level of vehicle movements has doubled from 100 to 200 loads a day (400 in/out movements). The increase in movements is attributable to both an increase in production, since 2007, from averaging below 1 mt to consistently averaging above 1 mt in recent years and the diversification of markets served by the Company. The County Council as Highways Authority has raised concerns about the continuation of the significant increase in lorry movements. It has raised two particular issues; emerging vehicle visibility at the junction of B5056 and the A5012 and potential congestion and negative impacts on Cromford Conservation Area, from HGVs travelling west along the Via Gellia to join the A6. Both issues will need to be satisfactorily addressed in detail in a Transport Assessment

to accompany any planning application. The current quarry operates under planning permission granted in 2007 and is subject to a Section 106 agreement which requires the operator to pay an annual sum of money towards maintaining a portion of the highway directly outside the quarry entrance. The continuation of this agreement would need to be addressed as part of any planning proposals to work the proposed allocated site.

- 7) An account of the mitigation and compensation measures required to address environmental impacts, and of the biodiversity enhancement opportunities arising from the development, including its restoration and aftercare - the key ecological resources in this area are ancient woodlands and species rich calcareous grasslands set within a managed pastoral landscape. If soil resources are managed, site restoration should offer the opportunity to deliver restoration to grasslands which should be calcareous and species rich with opportunities for woodland creation if deemed desirable. Restoration of or natural generation on benches could offer additional complementary habitat gains. There is potential for site restoration to deliver net gain for biodiversity through habitat creation which would add to resources within the wider area, without necessarily directly enhancing existing habitat corridors. Opportunities for the provision of multifunctional environmental enhancements should be explored. Restoration of the site to a naturalistic landform would deliver benefits in terms of the wider setting of the scheduled monuments at Moot Low and Harboro Cave.

Appendix B

SAND AND GRAVEL DELIVERABILITY SCHEDULE

Site	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Shardlow (permission)	350	350	350	350	350	350	350	350									
Sudbury				250	250	250	250	250	250	250	250						
Foston									400	400	400	400	400	400	400	300	
Swarkestone (Permission)	320	320	320	320	320	320	200										
Swarkestone (SW extension)								320	320	320	320	320	320	320	320		
Swarkestone North																320	320
Willington (permission)																	
Willington (extension)	350	350	200														
Elvaston (Permission)							300	300	300	300	300	300					
Elvaston (extension)													300	300	300	300	300
Mercaston	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70
Reserves likely to be worked in Plan period	1090	1090	940	990	990	990	1170	1290	1340	1340	1340	1090	1090	1090	1090	990	690

Total estimated production 2022-2038 = 18,610,000 tonnes

Appendix C

MINERAL SITES IN THE PLAN AREA

- C1 This Appendix provides brief details of permitted mineral sites within the Plan area. Sites are listed within the District/Borough Council area in which they are located. Minerals produced include limestone, sandstone, sand and gravel, vein minerals and brick clay.

HIGH PEAK

Dove Holes Quarry

- C2 Operated by Cemex, Dove Holes Quarry lies on the Carboniferous Limestone to the east of Dove Holes village which itself lies to the north east of Buxton. It is a large quarry covering some 213 Hectares, including a small area (22 Ha) within the PDNP. The quarry area is a combination of three long established quarries known individually as Bee Low, Peak Quarry and Holderness, all of which were developed in the first half of the twentieth century. Production at the quarry is focused on the aggregate market; annual production is estimated at 5 mt with approximately 50% transported by rail. Permitted reserves are sufficient to last well beyond the end of the Plan period in 2038. The quarry complex provides the location for several companies making mineral products using the raw materials from the quarry.

Tunstead Quarry

- C3 Operated by Tarmac, Tunstead Quarry lies on the Carboniferous Limestone resource to the east of Buxton. The site consists of two quarries Tunstead and Old Moor (part of which lies within the PDNP). It is an important producer of both aggregate and industrial limestone and contains one of the Country's eleven only cement plants with a production capacity of 1 million tonnes (mt) of cement. It has permission for a second cement plant which if developed would increase capacity to 2.15 mt. Annual mineral production is estimated at around 6 mt ; with approximately 50% transported by rail. The site has sufficient reserves to last beyond the end of the Plan period.

Dowlow Quarry

- C4 Operated by Breedon Southern Ltd, Dowlow Quarry lies south-east of Buxton at Sterndale Moor, and is the southernmost of four quarries lying between the A515 Buxton to Ashbourne road and the PDNP boundary to the west. Its

carboniferous limestone is quarried for both industrial and aggregate purposes with annual production estimated at 3.5 mt. Approximately 50% of material is transported by rail. The site has sufficient permitted reserves to maintain production throughout the Plan period.

Hindlow Quarry

- C5 Operated by Tarmac, Hindlow Quarry is located to the north west of Dowlow. The quarry has not been producing limestone since 1988 although the lime manufacturing plant has continued to be operational since that time, initially utilising onsite stockpiles of stone and later, limestone imported from Tunstead Quarry. More recently extraction has restarted to supply the lime manufacturing plant and the aggregates market. The established rail network is being used to distribute approximately 50% of aggregates whilst the industrial lime products continue to be distributed by road. Future working is estimated at 2mt per annum with permitted reserves sufficient to last well beyond the Plan period.

Brierlow Quarry

- C6 Operated by Lhoist UK Ltd, Brierlow Quarry can be found north west of Hindlow is the third adjoining quarry in this area. The operation is primarily focused on the production of industrial lime. The site is bisected by a railway line (mostly tunnel) however there is no rail link to the site. Annual production is estimated at 0.5 mt with sufficient permitted reserves to last beyond the Plan period.

Hillhead Quarry

- C7 Operated by Tarmac, Hillhead Quarry is the fourth in the line of quarries to the south of Buxton. The site, which is located on the northern slopes of a prominent ridge line, has a surface area of 129 hectares (ha). The quarry's northern boundary is a mineral railway which serves the quarries on the A515 but is not actively used by Hillhead at present. A small area of the site, in its south-eastern corner, is in the Peak District National Park. Full time quarrying operations were mothballed in 2000 and the site has only been intermittently worked since. Indications from the operator are that quarrying is likely to recommence during the Plan period. The operator is also pursuing obtaining access to the mineral railway. Production is anticipated at 0.5 mtpa mainly for aggregate purposes, permitted reserves are estimated to last well beyond the Plan period.

Ashwood Dale Quarry

- C8 Operated by Breedon Southern Ltd, Ashwood Dale Quarry is located to the south of Buxton on the Carboniferous Limestone. Annual production is estimated at 100,000 tonnes used for the aggregate market. Permitted reserves are sufficient to last throughout the Plan period. All production is transported by road.

Mouselow Quarry

- C9 Operated by Weinerberger Ltd, Mouselow Quarry is located to the north of Glossop. The quarry is an important provider of brick clay supplying approximately 50% of the raw material required at the operator's brickworks located at Denton, East Manchester. Annual production from the quarry is estimated to have risen to 57,000 tonnes and permitted reserves are estimated to be exhausted by around 2030. The quarry also supplies sandstone for use as building stone and a small amount of aggregate. Annual production of sandstone is estimated at 10,000 tonnes.

Hayfield

- C10 There is one sandstone quarry at Hayfield where sandstone is worked intermittently for aggregate/building stone purposes.

DERBYSHIRE DALES

Grange Mill Quarry

- C11 Grange Mill Quarry, Wirksworth is operated by Ben Bennet Jnr Ltd extracts Carboniferous Limestone mainly for industrial purposes but also for aggregate use. Production has been estimated at 300,000 tonnes per year with permitted reserves sufficient to last throughout the plan period. All production is transported by road.

Brassington Moor Quarry

- C12 Brassington Moor Quarry operated by Longcliffe Quarries Ltd, adjoins Grange Mill Quarry to the south west on the Carboniferous Limestone resource. Mineral is principally quarried for the industrial market but also for aggregate purposes as well. Annual production is estimated at 1mt with approximately 70% used for industrial purposes and 30% used for aggregates. The quarry has permission until 2035, however the operator estimates that reserves that are low in cadmium, iron and lead which are vital for animal feed products and glass manufacture will be exhausted between 2025 and 2031. It is promoting

an extension to the quarry, Aldwark South which measures 25 ha and would yield approximately 24 mt of reserve. This site is proposed for allocation in this Plan.

Bonemill Quarry

- C13 Bonemill Quarry, operated by Longcliffe Quarries Ltd, lies to the east of Wirksworth. Dolomitic limestone is worked at the quarry for both industrial and aggregate purposes. Annual production is estimated at around 800,000 tonnes; the site had sufficient permitted reserves to last throughout the Plan period.

Dene Quarry

- C14 Dene Quarry, operated by Tarmac, lies to the west of Cromford. It produces approximately 0.5 mt of Carboniferous Limestone for use in the aggregates market. All mineral is transported by road. Access to the site is shared with Slinger Top Quarry. The current permission expires in 2026

Slinger Top Quarry

- C15 Slinger Top Quarry, operated by Slinger Mining Company, lies to the west of Cromford on the Carboniferous Limestone where vein minerals are quarried alongside limestone aggregates with the resulting void infilled with inert, non-hazardous excavation materials. Annual production is estimated at 100,000 tpa; all produced mineral is transported by road with the vein mineral transported to Cavendish Mill in the PDNP for processing. Mineral extraction is permitted at Slinger Top until 31st December 2021 and infilling until 31st December 2032. A planning application has been submitted, in 2017, for a lateral southwest extension to the existing quarry for limestone and vein mineral extraction. The proposal is to extract 1.3 million tonnes of mineral over the period to 2033 with a further 3 years to complete infilling and restoration.

Ball Eye Quarry

- C16 Ball Eye Quarry, is located close to Bonsall. The quarry has recently, in 2022, been sold. The quarry is currently non-operational but the site has permission to extract limestone for aggregate purposes with vein mineral quarried as ancillary mineral.

Halldale

- C17 There is a non-operational sandstone quarry at Halldale, Darley Dale where sandstone has been quarried intermittently for building stone purposes.

BOLSOVER

Whitwell Quarry

- C18 Whitwell Quarry, operated by Tarmac, lies on the Permian Limestone resource located in the north east of the County. The quarry produces around 1mt of mineral per annum. Approximately half of the mineral produced is high quality dolomitic limestone used at the adjacent Whitwell Works, operated by Lhoist which produces products for use in the steel industry. The remaining 50% is used for aggregates purposes. The current planning permission expires in 2025, the Company is exploring sites in both Derbyshire and Nottinghamshire to continue to supply the works.

Bolsover Moor Quarry

- C19 Bolsover Moor Quarry, owned by Tarmac, is a non-operational quarry located on the Permian Limestone to the east of Bolsover. When in production the site mainly supplied the aggregates market with production around 200,000 tpa. The contribution that this quarry will make to supply over the Plan period is uncertain.

NORTH EAST DERBYSHIRE

Moorhay Farm

- C20 There is a sandstone quarry at Moorhay Farm where sandstone is worked intermittently for building stone purposes. The site produces small quantities of stone roofing slate, with paving stone and walling stone produced as a by-product.

AMBER VALLEY

Waingroves Quarry

- C21 Waingroves Quarry, operated by Forterra Building Products Ltd, lies to the south of Ripley. Approximately 60,000 tonnes of brick clay are excavated annually for use as blending material in the Companies brick works located at Kirton in Nottinghamshire and Desford in Leicestershire. Permitted reserves are estimated to be sufficient to last throughout the Plan period.

Dukes Quarry

- C22 There is a sandstone quarry, Dukes Quarry, Whatstandwell where sandstone is worked intermittently for building stone purposes.

SOUTH DERBYSHIRE

Elvaston Quarry

- C23 Elvaston Quarry, operated by Tarmac, lies on the sand and gravel resource in the Lower Derwent Valley. Elvaston Quarry was first established in the late 1960s when permission was granted near to Draycott; workings have moved westwards along the valley. The current permitted extraction area, granted in 2013, lies north of Ambaston Lane; this permission retains the processing plant site at Bellington Hill and access arrangements onto the A6. This area has not been worked and the site is currently non-operational, but it is anticipated to recommence working towards the end of this decade. Permitted reserves are anticipated to be worked over a 5-year period at an average annual output of 300,000 tonnes; an extension to this area is proposed for allocation in the Plan to provide sufficient mineral to maintain production throughout the Plan period.

Shardlow Quarry

- C24 Shardlow Quarry, operated by Hanson, is located on the sand and gravel resource, in the Trent Valley, to the south of Shardlow village. The quarry became operational in 1989; it has a direct private access from the A50 which bisects the northern part of the site. The current working area was granted permission in 2015; annual production is anticipated at 350,000 tpa with permitted reserves anticipated to be worked out by the end of this decade. Hanson is promoting a replacement site at **Foston** which lies in the Dove Valley. This site is proposed for allocation in the Plan; working is anticipated to commence in 2030 with annual production estimated at 400,000 tpa.

Swarkestone Quarry

- C25 Swarkestone Quarry, operated by Tarmac, lies in the Trent Valley on the sand and gravel resource. The extraction of sand and gravel has taken place in the Swarkestone area since the late 1940s with working extending from the original site in a westerly direction along the valley. The current plant site lies to the south of Barrow on Trent village and was established in the mid-1990s; annual production is estimated around 300,000 tpa with permitted reserves anticipated to be worked out by the end of this decade. An extension to the west of the current permitted area, known as **Swarkestone South** is proposed

for allocation in the Plan which would extend the life of the site towards the end of the Plan period in 2036. To ensure continuity of production a further extension is proposed to the north west of this allocation known as **Swarkestone North** which would enable production to be maintained beyond the Plan period..

Willington Quarry

- C26 Willington Quarry, operated by Cemex, lies on the sand and gravel resource in the Trent Valley to the south west of Willington. The working of sand and gravel in the Willington area has taken place by a number of operators since the 1960s. The current plant area was established in the late 1980s. A recent permission has been granted, in August 2021, for an extension to the site which is anticipated to maintain working until 2024 based on an estimated annual production of 350,000 tonnes .Cemex are promoting a replacement site at **Sudbury** which lies in the Dove Valley. This site is proposed for allocation in the Plan; working is anticipated to commence in 2025 with annual production estimated at 250,000.

Mercaston Quarry

- C27 Mercaston Quarry, operated by Hanson, lies on the Sherwood Sandstone and comprises five separate areas. A processing plant and ancillary facilities are located off Mercaston Lane. The site has not been fully operational for a number of years with only small quantities of mineral produced annually. Based on this small quantity of output permitted reserves are sufficient to last well beyond the Plan period.

Appendix D

SAVED POLICES OF THE ADOPTED MINERALS LOCAL PLAN TO BE REPLACED

D1 The new Derbyshire and Derby Minerals Local Plan when adopted will replace the ‘saved’²³⁴ policies of the current Derby and Derbyshire Minerals Local Plan adopted in 2000 with a first alteration adopted in 2002. A list of the saved policies is set out below:

Policy Number	Policy Name
MP1	The Environmental Impact of Mineral Development
MP2	The Need for Mineral Development
MP3	Measures to reduce Environmental Impact
MP4	Interests of Acknowledged Environmental Importance
MP5	Transport
MP6	Nature Conservation - Mitigation Measures
MP7	Archaeology - Mitigation Measures
MP10	Reclamation and After-Use
MP11	Borrow Pits
MP12	Mineral Related Development
MP13	Mineral Exploration
MP15	Reworking of Tips
MP16	Maintenance of Landbanks
MP17	Safeguarding Resources
MP18	Extensions to Sites
MP19	Additional Sites
MP21	Sand and Gravel Sites
MP22	Sherwood Sandstones
MP23	Crushed Rock for Aggregates
MP24	Secondary and Recycled Materials
MP25	Industrial Limestone
MP27	Coal Extraction and Colliery Spoil Disposal
MP28	Opencast Constraint Areas
MP29	Coal Stocking

²³⁴ Paragraph 1(3) of Schedule 8 to the Planning and Compulsory Purchase Act 2004

MP32	Clay
MP33	Vein Minerals
MP34	Building Stone
MP35	Oil and Gas

Appendix E

DOCUMENTS THAT FORM PART OF THE PRESUBMISSION DRAFT PLAN CONSULTATION STAGE

- E1 The preparation of the Minerals Local Plan requires the preparation of a number of supporting technical documents and assessments as well as the main Plan document. A list of the documents which form part of this Pre-Submission Draft Consultation is set out below:

Main Document

- E2 Derbyshire and Derby Minerals Local Plan – Pre-submission Draft Plan, January 2023.

Background Papers

- E3 (The preceding number is the Pre-submission Draft Plan Chapter to which the Paper relates)
- 2.0 Spatial Overview
 - 5.0 Climate Change
 - 6.1 Secondary and Recycled Aggregates
 - 6.2 Sand and gravel
 - 6.3 Crushed Rock
 - 6.4 Reducing Quarrying in the PDNP
 - 7.1 Building Stone
 - 7.2 Industrial Limestone
 - 7.2 Industrial Limestone Cement
 - 7.3 Brick Clay and Fireclay
 - 7.4 Vein Minerals
 - 8.1 Coal and Colliery Spoil
 - 8.2 Oil and Gas Conventional
 - 8.2 Oil and Gas Unconventional
 - 8.2 Gas from Coal
 - 9.1 Safeguarding Mineral Resources
 - 9.2 Safeguarding Minerals Infrastructure
 - 11 Cumulative Impacts

Development Papers

- E4 (The preceding number is the Proposed Draft Plan Chapter to which the Paper relates)
- 3 Strategic Priorities - Vision and Objectives
 - 4 Sustainable Minerals Development
 - 5 Climate Change
 - 6.1 Secondary and Recycled Aggregates
 - 6.2 Sand and gravel
 - 6.3 Crushed Rock
 - 6.4 Reducing the supply of aggregates from the PDNP
 - 7.1 Building Stone
 - 7.2 Industrial Limestone
 - 7.3 Brick Clay and Fireclay
 - 7.4 Vein Minerals
 - 8.1 Coal and Colliery Spoil
 - 8.2 Hydrocarbons
 - 9.1 Safeguarding Mineral Resources
 - 9.2 Safeguarding Minerals Infrastructure
 - 10 Restoration of sand and gravel sites in the River Valleys
 - 11 Development Management

Duty to Cooperate (DtoC)

- E5 DtoC Introduction and Overview
 DtoC Statement of Common Ground

Representations

- E6 Report of Representations 2022

Assessments

- E7 Sustainability Appraisal Report
 Strategic Transport Assessment Stages 1 and 2
 Habitats Regulations Assessment
 Strategic Flood Risk Assessment
 Health Impact Assessment

Equalities Impact Assessment

Sand and Gravel Sites Assessments

Sand and Gravel Assessment Methodology (published for information only)

Mapping Environmentally Sensitive Areas Methodology (published for information only)

Glossary

Aftercare: Processes necessary to maintain the quality of restored land to provide suitable conditions for determined after-uses such as conservation or agriculture.

After-use: The final use of land after the completion of mineral working and restoration such as nature conservation areas, country parks, agriculture, forestry, industrial uses, and other development i.e., housing developments.

Aggregates: Granular materials formed of loose fragments sand and gravel, crushed rock and other bulk materials used by the construction industry for purposes such as the making of concrete, mortar, asphalt or for roadstone, drainage or bulk filling.

Air Quality Management Areas (AQMA): An area unlikely to achieve national air quality objectives by relevant deadlines identified by the Local Authority. The Local Authority is subsequently required to put together a plan to improve air quality in that area – a Local Air Quality Action Plan.

Amenity: A positive element or elements that contribute to the overall character or enjoyment of an area. For example, open land, trees, historic buildings and the inter-relationship between them, or less tangible factors such as tranquillity.

Ancient or veteran tree: A tree which, because of its age, size and condition, is of exceptional biodiversity, cultural or heritage value. All ancient trees are veteran trees. Not all veteran trees are old enough to be ancient, but are old relative to other trees of the same species. Very few trees of any species reach the ancient life-stage.

Ancient woodland: An area that has been wooded continuously since at least 1600 AD. It includes ancient semi-natural woodland and plantations on ancient woodland sites (PAWS).

Area of Search: Areas where knowledge of mineral resources may be less certain but within which planning permission may be granted, particularly if there is a potential shortfall in supply.

Article 4 direction: A direction made under Article 4 of the Town and Country Planning (General Permitted Development) (England) Order 2015 which withdraws permitted development rights granted by that Order.

Bedrock Geology: Is the term used by British Geological Survey to describe the main mass of rocks, present everywhere that form the Earth. Bedrock can be either exposed or concealed.

Best and Most Versatile Agricultural Land: Land in grades 1, 2, and 3a of the Agricultural Land Classification. Land, which is the most flexible, productive and efficient, which can best deliver future crops.

Biodiversity: Refers to the biological diversity of all life on earth. It identifies the range of ecosystem variations, genetic differences and species, including both plants and animals.

Borrow Pit: A temporary site where minerals are extracted to supply materials for a specific project.

Buffer Zones: Land designated for protection where mineral development is prohibited. Usually found around settlements to protect residents from the adverse effects of site workings.

Building Stone: Hard rock types that can be used directly from mining for a variety of applications in construction, such as walling, flagstones, roofing and masonry. Rock type includes limestone and sandstone.

Bund: A retaining wall or embankment that can be used to screen mineral development.

Climate Change: The long-term change to Earth's climate. A change in global or regional weather patterns, such as precipitation or temperature. It is thought that recent changes in Earth's climate have been influenced by human activities rather than being a natural occurrence.

Climate change adaptation: Adjustments made to natural or human systems in response to the actual or anticipated impacts of climate change, to mitigate harm or exploit beneficial opportunities.

Climate change mitigation: Action to reduce the impact of human activity on the climate system, primarily through reducing greenhouse gas emissions.

Coal: A fossil fuel used in energy production, mainly formed from carbonised organic matter.

Competent person: A person with a recognised relevant qualification, sufficient experience in dealing with the topic in question and membership of a relevant professional organisation.

Conservation (for heritage policy): The process of maintaining and managing change to a heritage asset in a way that sustains and, where appropriate, enhances its significance.

Conservation Area: Those areas which represent ‘special architectural or historic interest, the character and appearance of which it is desirable to preserve or enhance under the Planning (Listed Buildings and Conservation Areas) Act 1990’

Cumulative Impact: A number of developments in a locality or a continuous activity over time that together may have an increased impact on the environment, local community or economy.

Decentralised energy: Local renewable and local low carbon energy sources.

Designated heritage asset: A World Heritage Site, Scheduled Monument, Listed Building, Protected Wreck Site, Registered Park and Garden, Registered Battlefield or Conservation Area designated under the relevant legislation.

Development: “the carrying out of building, engineering, mining or other operation in, on, over or under land, or the making of any material change in the use of any building or other land” as defined in the 1990 Town and County Planning act. Most mineral development requires planning permission.

Development Plan: Defined in section 38 of the Planning and Compulsory Purchase Act 2004, and includes adopted local plans, neighbourhood plans that have been made and published spatial development strategies, together with any regional strategy policies that remain in force. Neighbourhood plans that have been approved at referendum are also part of the development plan unless the local planning authority decides that the neighbourhood plan should not be made. These are fundamental documents that identify key goals for development.

Dormant Mineral Site: A mineral site officially classed as dormant under the Environment Act 1995 or the Planning and Compensation Act 1991. The permitted reserve cannot be exploited until new planning conditions have been agreed hence they are not included in landbank calculations of permitted reserves.

Duty to Cooperate: An important element of local plan preparation is the requirement to fulfil the Duty to Co-operate provisions established by the Localism Act 2011 and as set out in Section 33A of the Planning and Compulsory Purchase Act 2004. It places a duty on local planning authorities (including County Councils) and prescribed public bodies to engage, on an ongoing basis, to maximise the effectiveness of a local plan in the context of strategic matters that cross administrative boundaries. Evidence of the discussions and the outcomes from them, will need to be made available at the local plan examination as part of the test of soundness.

Energy Minerals: Minerals used for energy production, usually by burning. They have high levels of carbon and include coal, oil and gas.

Environment Agency (EA): The principle environmental regulatory body in England and Wales. It strives to protect and enhance the environment; it supports sustainable development and aims to create better places for both people and wildlife.

Environmental Impact Assessment (EIA): A procedure to be followed for certain types of project to ensure that decisions are made in full knowledge of any likely significant effects on the environment.

Equalities Impact Assessment (EqIA): Used to assess the impact of the plans policies on groups of individuals with protected characteristics. Demonstrates the plan does not discriminate and ensures equality.

Evidence Base: Information and data collected by local authorities, used to support plan preparation.

Floodplain: an area of land identified as at risk of flooding when a river bursts its banks.

Flood Zones: Area identified by the Environment Agency as being at risk of flooding. Categorised into 3 zones, zone 3 being the highest risk.

Geodiversity: The range of rocks, minerals, fossils, soils and landforms.

Green Belt: Specially designated area protected from most forms of development in order to stop urban sprawl and the coalescence of settlements, preserve the character of existing settlements and encourage development to locate within existing built-up areas.

Green infrastructure: A network of multi-functional green and blue spaces and other natural features, urban and rural, which is capable of delivering a wide range of environmental, economic, health and wellbeing benefits for nature, climate, local and wider communities and prosperity.

Groundwater: An important part of natural water cycle, groundwater is found underground, stored in soil and rocks.

Habitats Regulation Assessment (HRA): Investigation to identify any aspects of planned land-use that could have significant impact on designated European sites. These sites include Special areas of Conservation (SACs), candidate SACs, Special Protection Areas (SPAs) and potential SPAs (pSPAs) and Ramsar Sites. These sites are collectively termed Natura 2000 sites.

Habitats site: Any site which would be included within the definition at regulation 8 of the Conservation of Habitats and Species Regulations 2017 for the purpose of those

regulations, including candidate Special Areas of Conservation, Sites of Community Importance, Special Areas of Conservation, Special Protection Areas and any relevant Marine Sites.

Health Impact Assessment (HIA): A practical approach used to assess the impact of plans and policies on health and wellbeing. This process helps to make informed decisions with the aim to minimise any possible negative implications.

Heritage Asset: A building, monument, site, place, area or landscape that is identified as having a degree of significance meriting consideration when making planning decisions. This includes designated assets and those identified by the local planning authorities.

Historic Environment: All aspects of the environment that have resulted from the interaction between people and places throughout time. This includes surviving physical remains of past human activity.

Hydraulic Fracturing: Also known as fracking, a process used to extract oil and gas found in rock deep underground. This involves the fracture of rocks to release the oil and gas, a mix of sand, water and chemicals is pumped under high pressure into bore holes to create this fracturing.

Industrial Minerals: Minerals that are essential in supporting industrial and manufacturing processes such as industrial limestone, brick clay and vein minerals.

Infrastructure: collective term for services that are necessary for communities to function such as roads, water and electricity. In terms of mineral working sites infrastructure relates to the plant necessary to work the mineral before it leaves the site.

International, national and locally designated sites of importance for biodiversity: All international sites (Special Areas of Conservation, Special Protection Areas, and Ramsar sites), national sites (Sites of Special Scientific Interest) and locally designated sites including Local Wildlife Sites.

Landbank: A stock of land with planning permission to work minerals. Can be used as a monitoring tool to assess the amount of unexploited aggregate mineral reserves and assess the amount of time supply will last based on the forecasted level of demand.

Local Aggregates Assessment (LAA): Produced annually and used to plan for a steady and adequate supply of aggregates. It assesses all supply options and forecasts future demand of aggregates. The LLA is prepared jointly between

Derbyshire County Council, Derby City Council and the Peak District National Park Authority.

Local plan: A plan for the future development of a local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. A local plan can consist of either strategic or non-strategic policies, or a combination of the two.

Material Consideration: A matter that should be taken into account in deciding a planning application or on an appeal against a planning decision.

Mineral Consultation Area (MCA): Geographical area based on a Mineral Safeguarding Area, where the district or borough council should consult the Mineral Planning Authority for any proposals for non-mineral development.

Mineral Development: The term ‘mineral development’ includes the exploration and extraction of minerals both above and below ground, the processing and transportation of minerals and the restoration of mineral sites. It includes the location, design and operational practices of development associated with new and existing mineral sites.

Mineral Related Development: Refers to the infrastructure, plant and vehicles used to extract, process and transport minerals and restore mineral sites.

Minerals resources of local and national importance: Minerals which are necessary to meet society’s needs, including aggregates, brickclay (especially Etruria Marl and fireclay), silica sand (including high grade silica sands), coal derived fly ash in single use deposits, cement raw materials, gypsum, salt, fluorspar, shallow and deep-mined coal, oil and gas (including conventional and unconventional hydrocarbons), tungsten, kaolin, ball clay, potash, polyhalite and local minerals of importance to heritage assets and local distinctiveness.

Mineral Safeguarding Area (MSA): Areas defined by mineral planning authorities to protect potentially workable resources of minerals from sterilisation by other forms of development which may prevent future extraction of the mineral.

Mitigation: Actions taken to reduce the impact of future adverse effects.

Monitoring Report: Produced annually to check progress of policy implementation and review their outcomes to assess effectiveness and impact of the Plan.

National Park: The statutory purposes of national parks are to conserve and enhance their natural beauty, wildlife and cultural heritage and to promote opportunities for public understanding and enjoyment of their special qualities. National parks are

designated by Natural England, subject to confirmation by the Secretary of State under the National Parks and Access to the Countryside Act 1949.

National Planning Policy Framework (NPPF): Sets out the Government's planning policies for England and how these should be applied and provides a framework within which locally prepared plans can be produced.

National trails: Long distance routes for walking, cycling and horse riding.

Nature Recovery Network: An expanding, increasingly connected, network of wildlife-rich habitats supporting species recovery, alongside wider benefits such as carbon capture, water quality improvements, natural flood risk management and recreation. It includes the existing network of protected sites and other wildlife rich habitats as well as and landscape or catchment scale recovery areas where there is coordinated action for species and habitats.

Natural Flood Management: Managing flood and coastal erosion risk by protecting, restoring and emulating the natural 'regulating' function of catchments, rivers, floodplains and coasts.

Non-operational Mineral Site: A mineral site wherein the winning and working or depositing of minerals is not currently taking place.

Operational Mineral Site: A mineral site wherein the winning and working or depositing of minerals is currently/intermittently taking place.

Outstanding universal value: Cultural and/or natural significance which is so exceptional as to transcend national boundaries and to be of common importance for present and future generations. An individual Statement of Outstanding Universal Value is agreed and adopted by the UNESCO World Heritage Committee for each World Heritage Site.

Overburden: soil and other materials that lie above the mineral reserve, can be stored for later use in restoration of worked land.

Permitted Mineral Reserves: Mineral deposits that have planning permission for extraction.

Planning condition: A condition imposed on a grant of planning permission (in accordance with the Town and Country Planning Act 1990) or a condition included in a Local Development Order or Neighbourhood Development Order.

Planning obligation: A legal agreement entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal.

Preferred Area: areas of known mineral resources where planning permission might reasonably be anticipated. Such areas may also include essential operations associated with mineral extraction.

Priority habitats and species: Species and Habitats of Principal Importance included in the England Biodiversity List published by the Secretary of State under section 41 of the Natural Environment and Rural Communities Act 2006.

Ramsar Site: Wetland sites considered to be of international importance. Sites are declared under the 1971 Ramsar Convention, which was established by UNESCO.

Reclamation: The act of restoring land used for the winning and working of minerals to an acceptable environmental condition for either resumption of former land use or for a new use, examples include agriculture, forestry or conservation.

Recycled Aggregates: Aggregates produced from recycled construction waste such as crushed concrete or asphalt pavement.

Regional Aggregates Working Party: A working group consisting of local authority officers, representatives of the aggregates industry and central government established to consider the supply and demand for aggregate minerals.

Renewable and low carbon energy: Includes energy for heating and cooling as well as generating electricity. Renewable energy covers those energy flows that occur naturally and repeatedly in the environment – from the wind, the fall of water, the movement of the oceans, from the sun and also from biomass and deep geothermal heat. Low carbon technologies are those that can help reduce emissions (compared to conventional use of fossil fuels).

Safeguarding: Protection of a particular mineral site or resource from intruding non-mineral development.

Secondary Aggregates: Aggregates that are by products from industrial processes, including the production of primary aggregates. They have not been previously used for construction such as, incinerator bottom ash, railway ballast and fine ceramic waste.

Setting of a heritage asset: The surroundings in which a heritage asset is experienced. Its extent is not fixed and may change as the asset and its surroundings evolve. Elements of a setting may make a positive or negative contribution to the significance of an asset, may affect the ability to appreciate that significance or may be neutral.

Significance (for heritage policy): The value of a heritage asset to this and future generations because of its heritage interest. The interest may be archaeological, architectural, artistic or historic. Significance derives not only from a heritage asset's physical presence, but also from its setting. For World Heritage Sites, the cultural value described within each site's Statement of Outstanding Universal Value forms part of its significance.

Site of Special Scientific Interest (SSSI): Sites designated by Natural England under the Wildlife and Countryside Act 1981.

Special Area of Conservation (SAC): Areas defined by regulation 3 of the Conservation of Habitats and Species regulations 2017 which have been given special protection as important conservation sites. They are designated to give protection to one or more specific habitats and/or species and is part of a global effort to conserve the world's biodiversity.

Special Protection Area (SPA): Areas classified under section 15 of the Conservation of Habitats and Species Regulations 2017, identified as being of international importance for the breeding, feeding, wintering or the migration of rare and vulnerable species of birds. These areas are classified under the Birds Directive and are found within European Union countries.

Specific Site: Where viable mineral resources are known to exist, landowners are supportive of minerals development and the proposal is likely to be acceptable in planning terms. Such sites may also include essential operations associated with mineral extraction.

Statement of Common Ground (SOCG): The National Planning Policy Framework (NPPF), requires strategic policy-making authorities to prepare and maintain statements of common ground (SOCG), documenting the cross-boundary matters being addressed and the progress in co-operating to address these.

Statement of Community Involvement (SCI): Required to be prepared under the provisions of the Planning and Compulsory Purchase Act 2004, a document which sets out planned involvement of the local community and other interested stakeholders in the planning process and development management decisions.

Sterilisation: A change of use to land or non-mineral related development such as housing and roads that restrict the access to mineral deposits causing sterilisation as extraction of these minerals becomes impossible for the foreseeable future.

Strategic Flood Risk Assessment (SFRA): Risk assessment carried out by local authorities to evaluate potential flood risk. Investigation considers current and future risk as well as land use change, levels of development and climate change.

Strategic Transport Assessment (STA): Provides evidence to support policies and proposals by assessing the impact of the planned policies on the transport network.

Sub-national: Refers to the regional area i.e., the East Midlands in Derbyshire and Derby's case. The East Midlands Regional Aggregates Working Party considers the supply and demand for aggregate minerals in the East Midlands region.

Supplementary planning documents: Documents which add further detail to the policies in the development plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. Supplementary planning documents are capable of being a material consideration in planning decisions but are not part of the development plan.

Sustainability Appraisal (SA): A way of promoting sustainable development through plan and policy implementations this appraisal should be undertaken throughout the development of a policy document and involves testing the impact of the plan against a series of sustainability objectives. This appraisal determines the degree in which plans, and policies contribute to the achievement of sustainable development.

Sustainable Development: Broadly refers to development that meets the needs of the current generation without comprising the ability of future generations to meet their own needs.

Transport assessment: A comprehensive and systematic process that sets out transport issues relating to a proposed development. It identifies measures required to improve accessibility and safety for all modes of travel, particularly for alternatives to the car such as walking, cycling and public transport, and measures that will be needed deal with the anticipated transport impacts of the development.

Tranquil Areas: Areas sufficiently remote from the visual or audible intrusion of development or traffic to be considered unspoilt by urban influences.

Travel plan: A long-term management strategy for an organisation or site that seeks to deliver sustainable transport objectives and is regularly reviewed.

Tree Preservation Order (TPO): A mechanism for securing the preservation of single or groups of trees of acknowledged amenity value. A tree subject to a tree preservation order may not normally be topped, lopped or felled without the consent of the local planning authority.

Wildlife corridor: Areas of habitat connecting wildlife populations.

Winning: The preparation of land to make a mineral deposit accessible for extraction.

Working: The removal of mineral from deposit below ground.

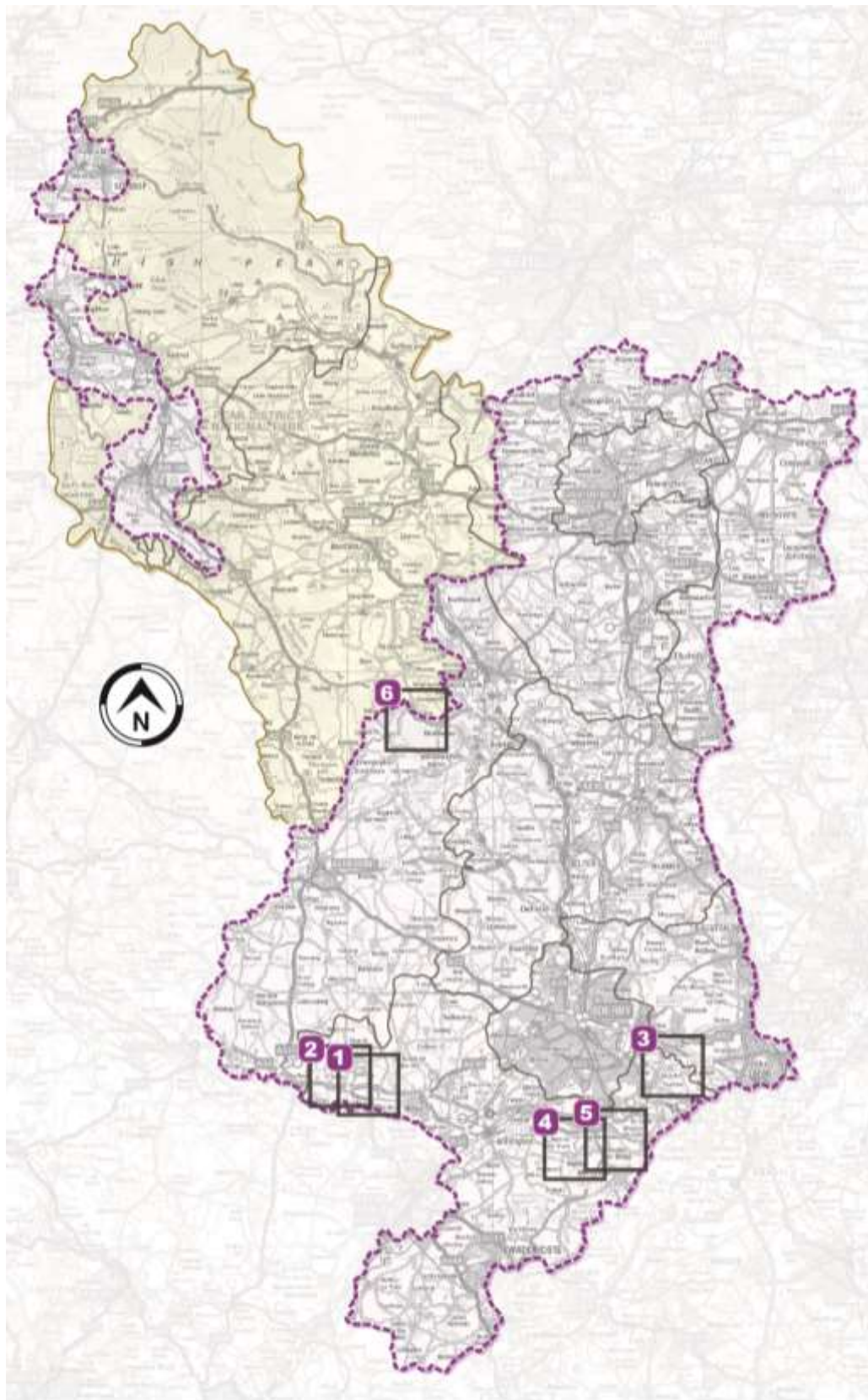
World Heritage Site: A cultural or natural site of outstanding universal value designated by the International Council on Monuments and Sites (ICOMOS).



Derbyshire and Derby Minerals Local Plan

**Towards a minerals local plan:
Pre-submission draft plan Policies Map – January 2023**

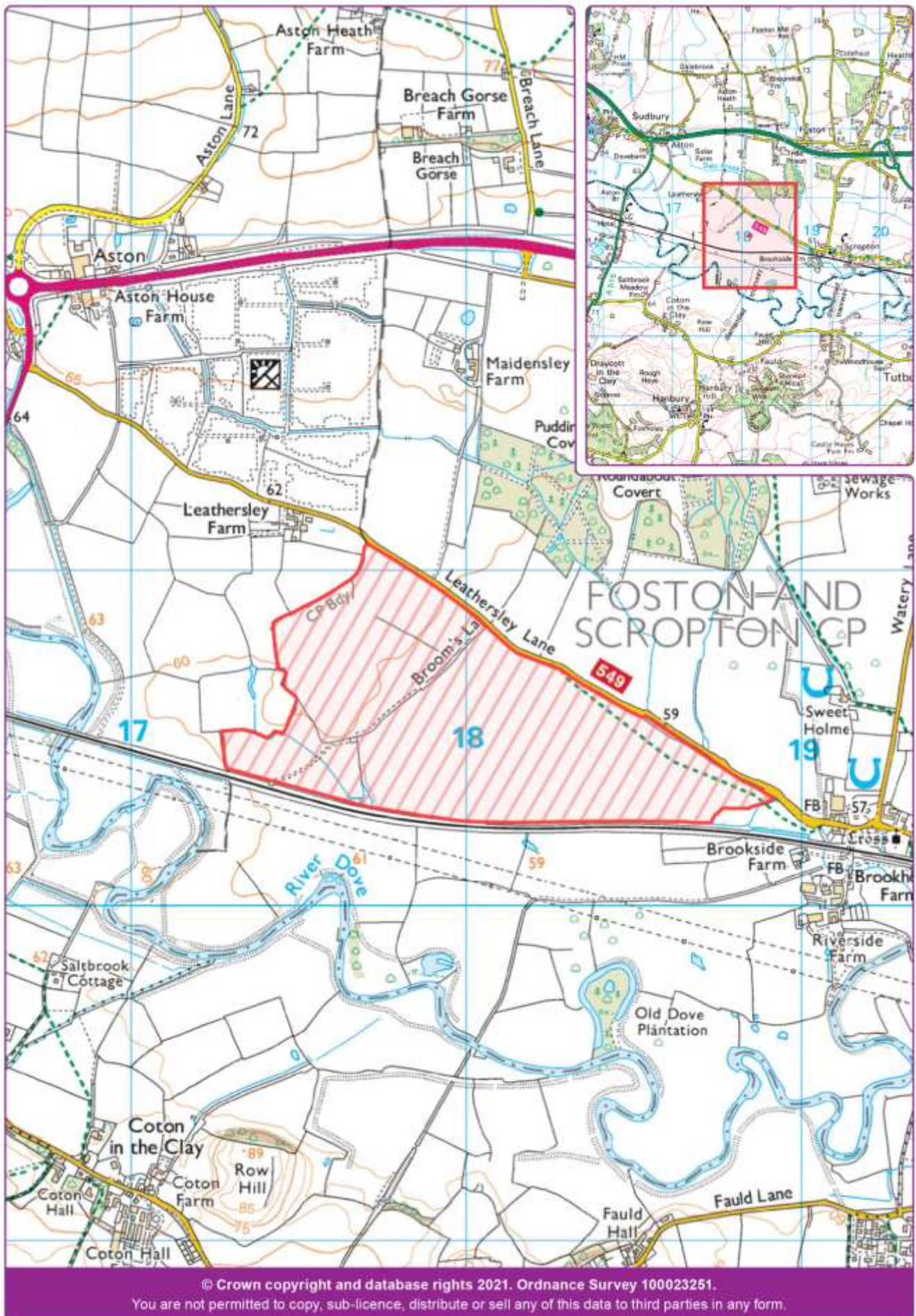
POLICY MAP INDEX



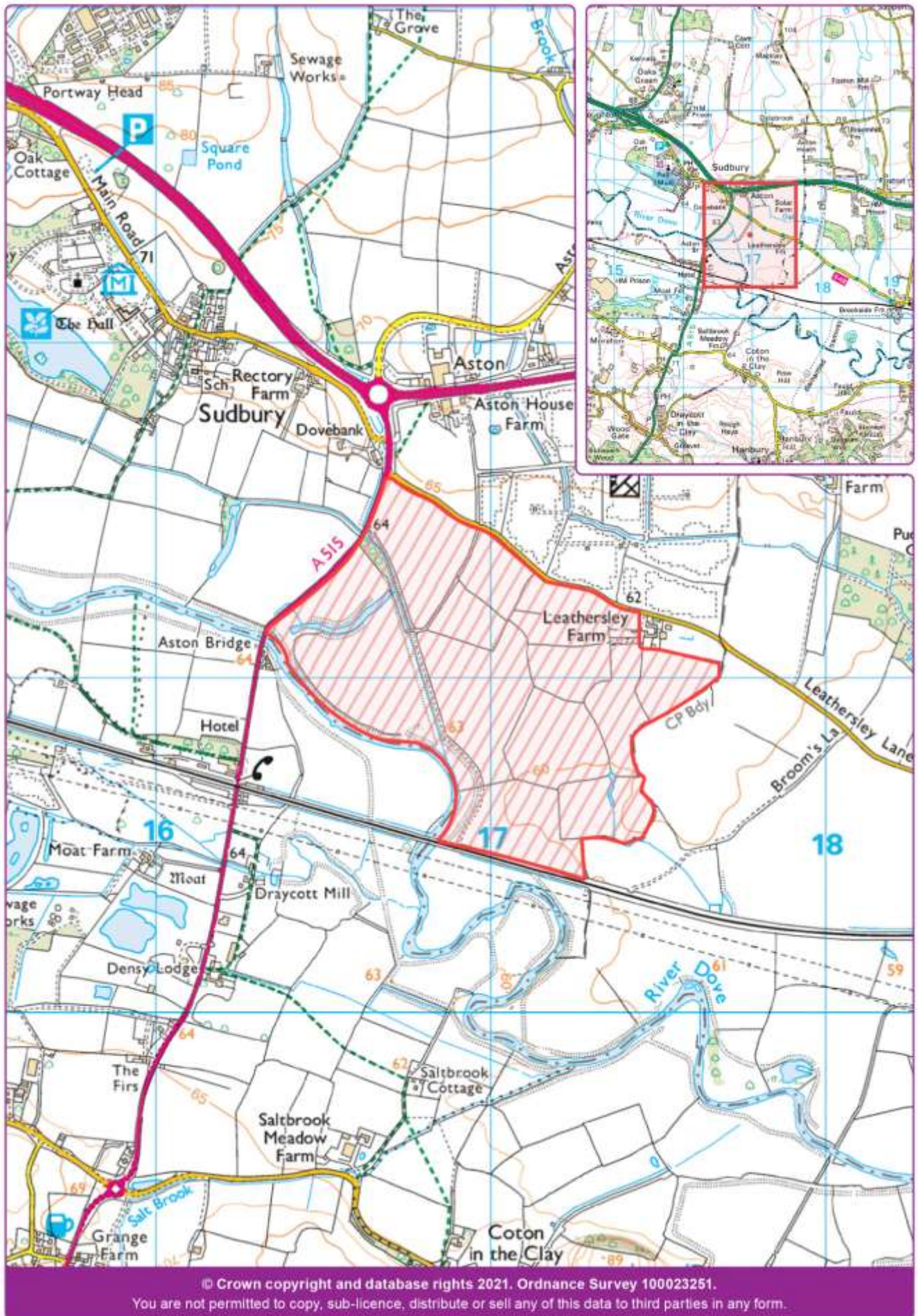
Policies contained in the Plan apply to the whole of the Plan area except for Policy SP5 (Insets 1-5), Policy SP11 (inset 6), and Policy SP17 (Inset 7-11).

- 1** Inset to Policies Map
- Part of Derbyshire outside the plan area
- Minerals Local Plan Area

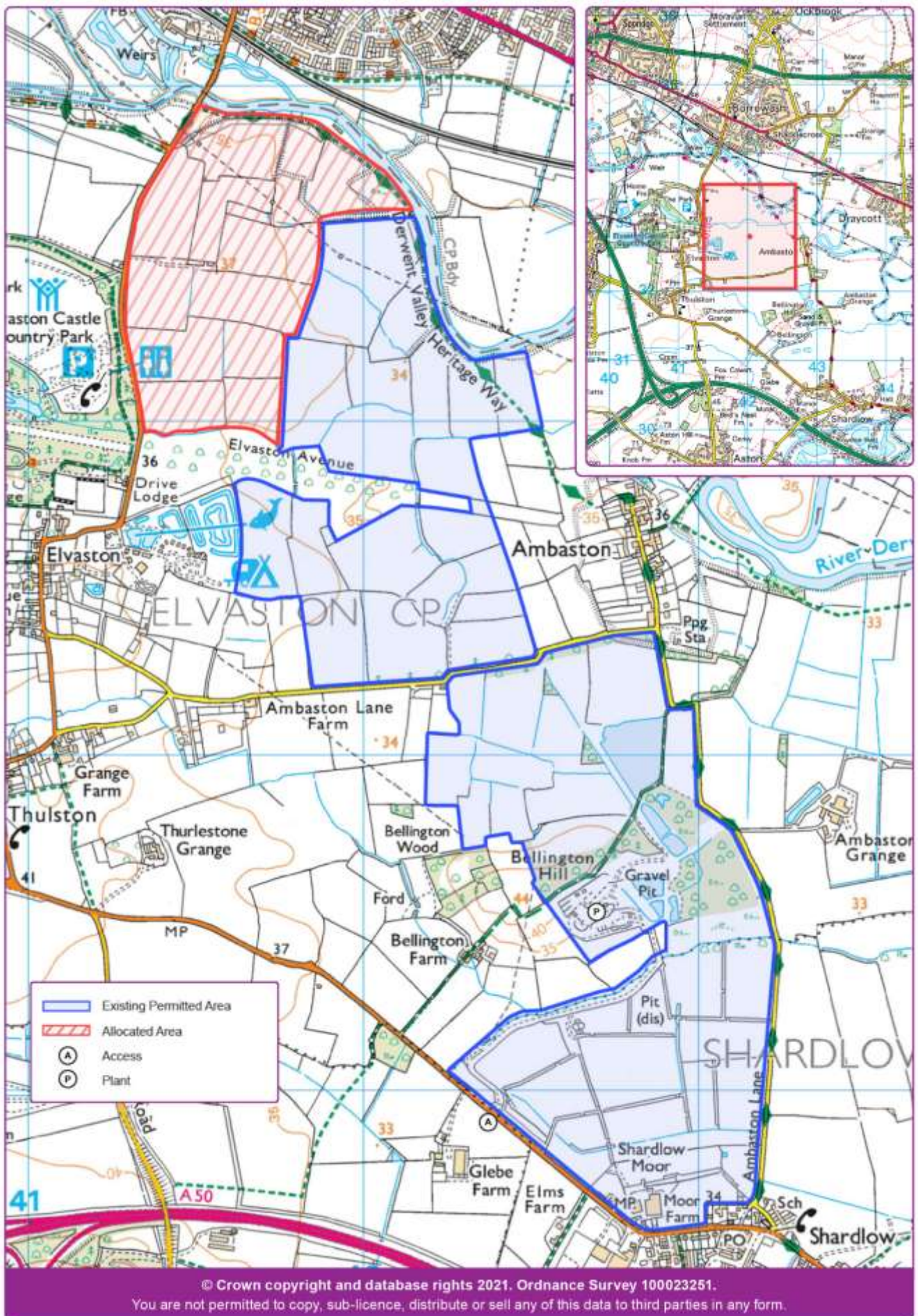
Inset 1: Foston



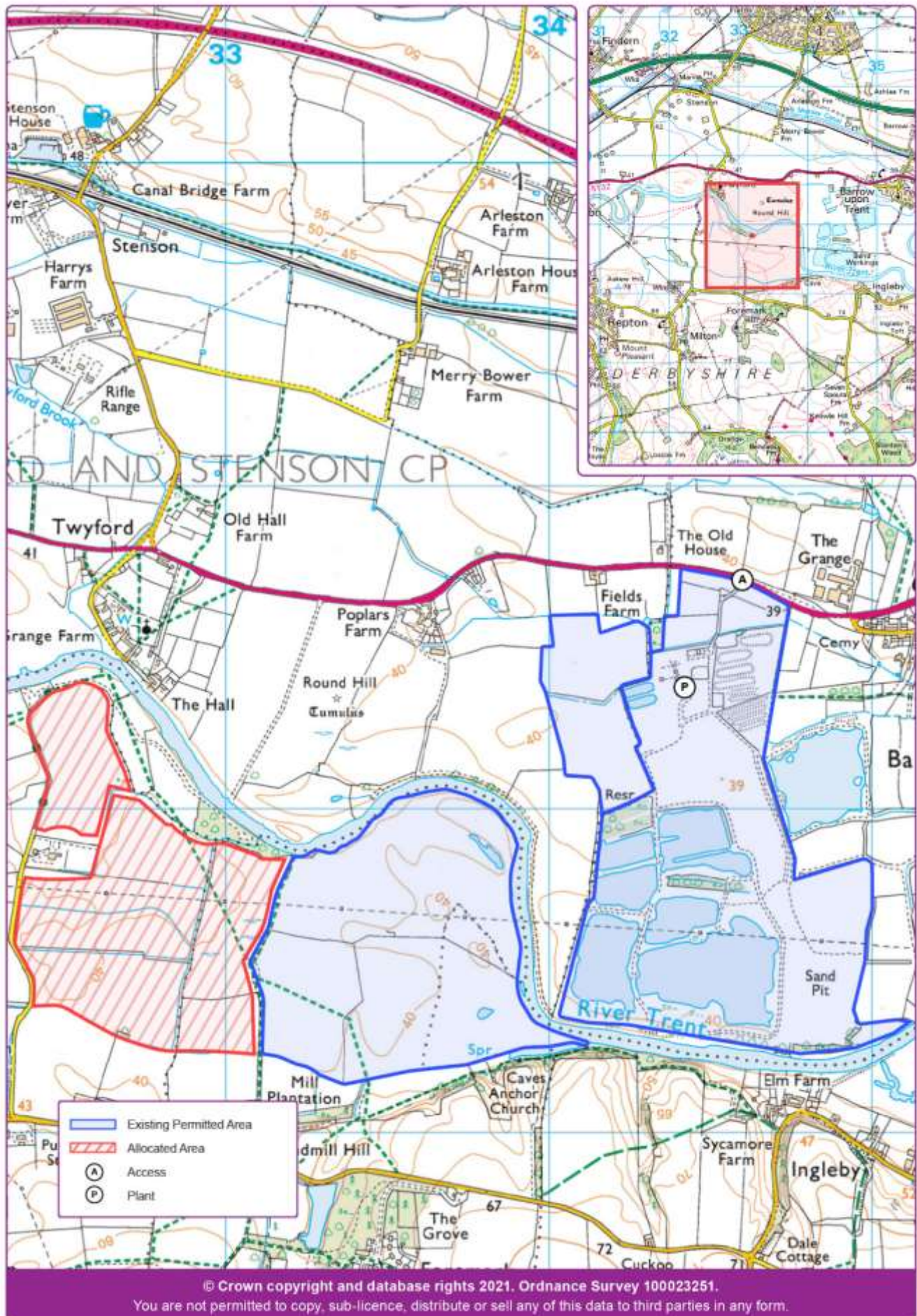
Inset 2: Sudbury



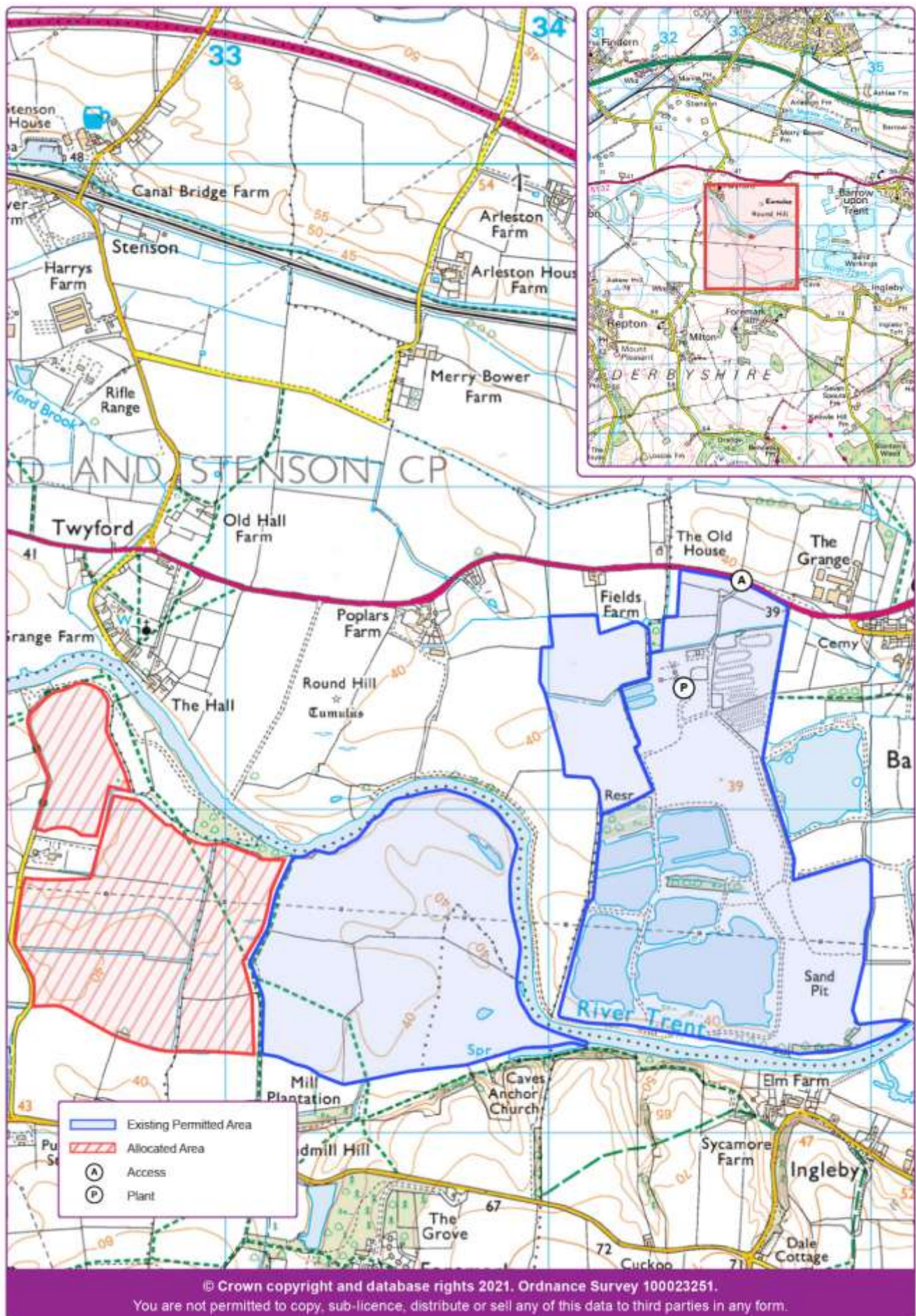
Inset 3: Elvaston



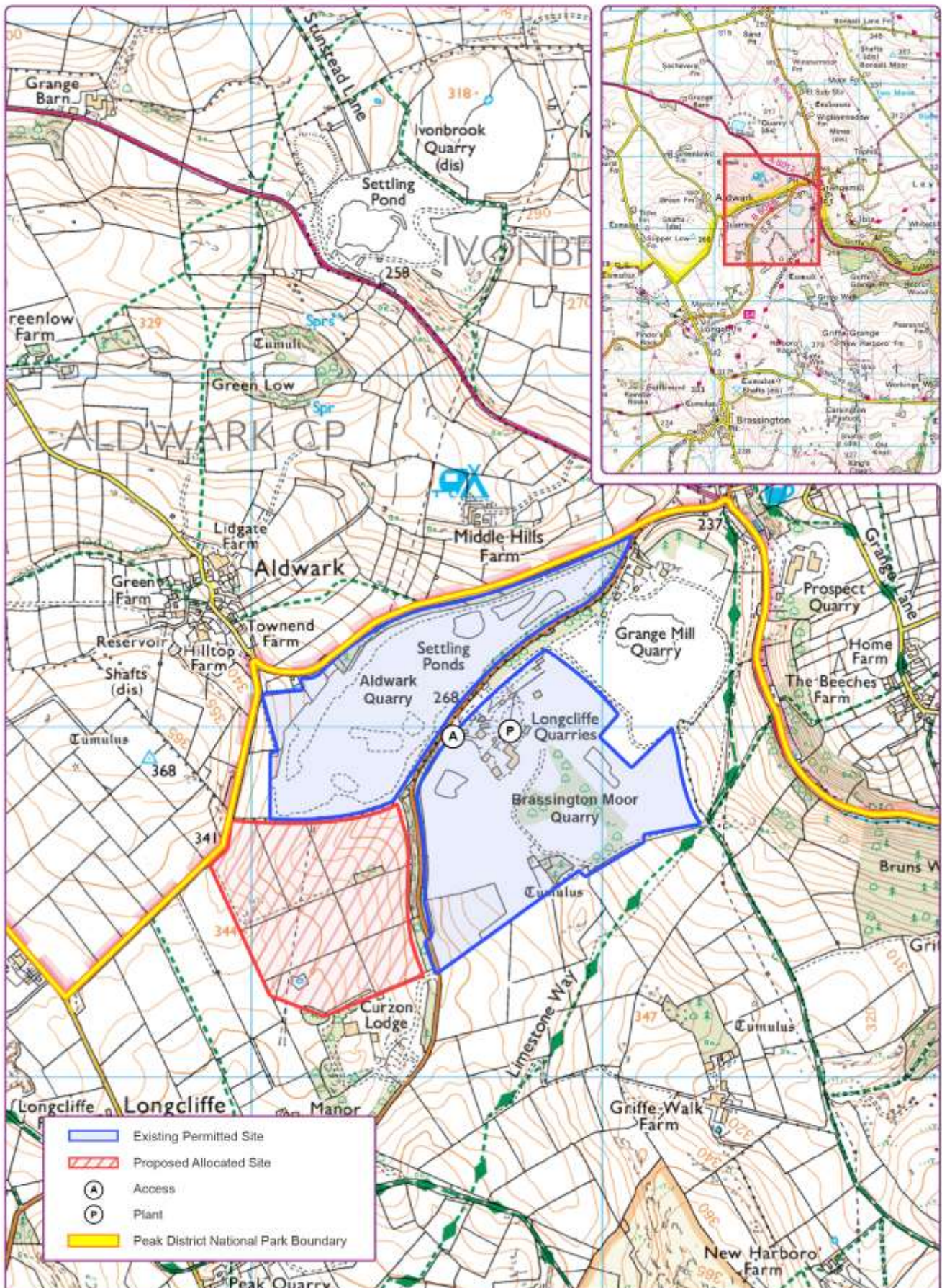
Inset 4: Swarkestone South



Inset 5: Swarkestone North



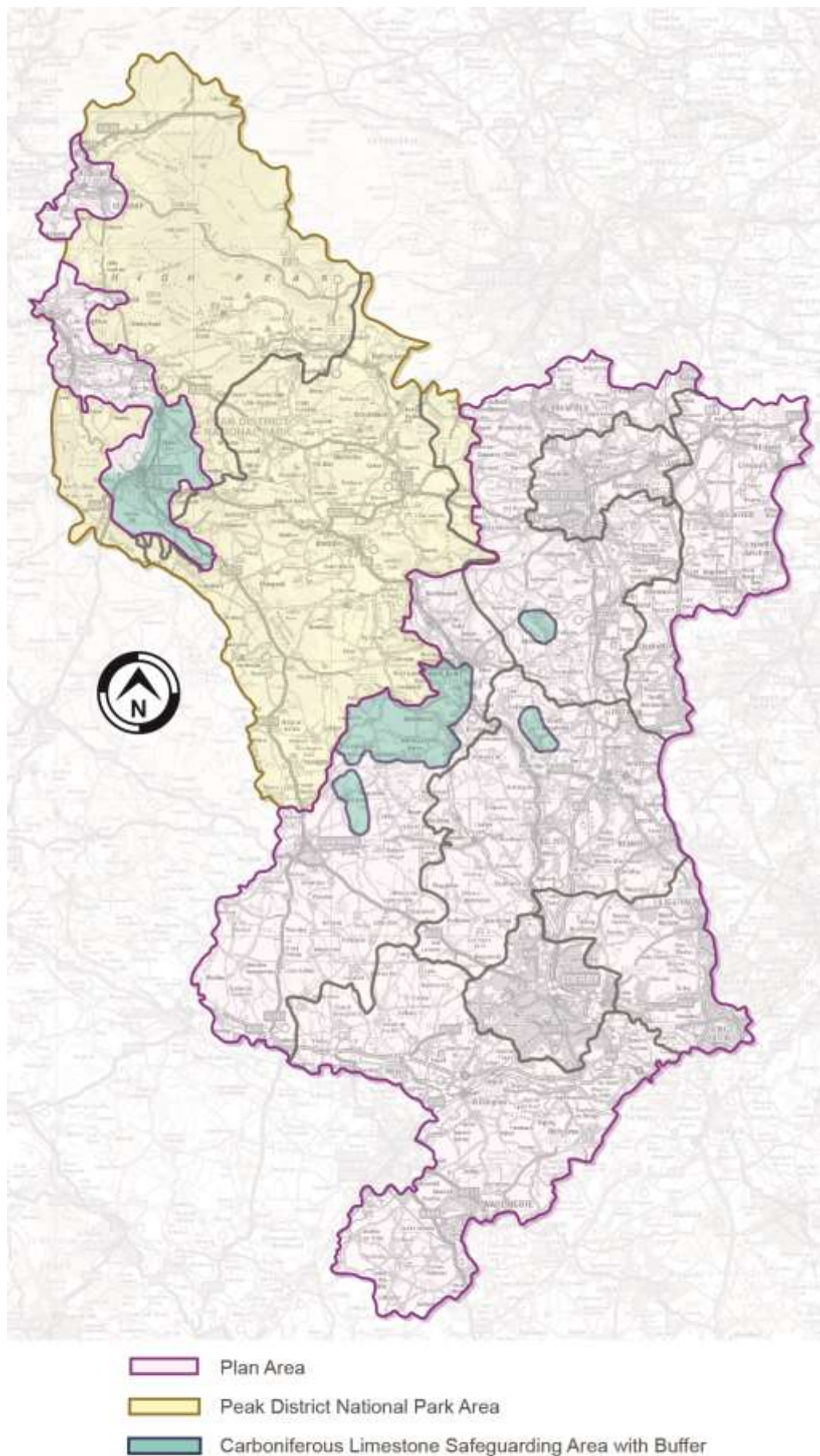
Inset 6: Aldwark South



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Carboniferous Limestone Safeguarding Area (North)



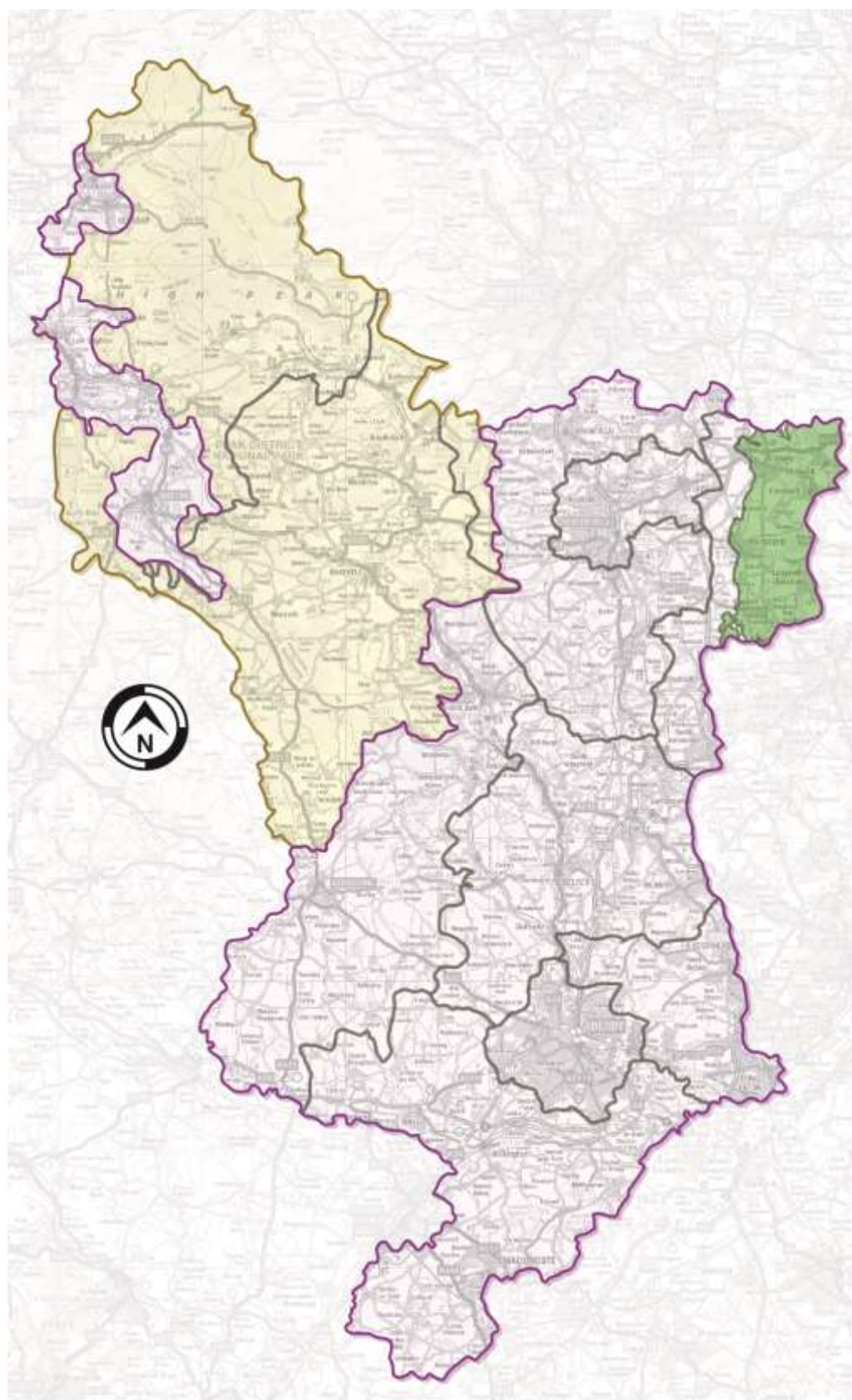
Note: Excludes buffer zones which are shown on the policies map

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Permian Limestone Safeguarding Area



-  Plan Area
-  Peak District National Park Area
-  Permian Limestone Safeguarding Area with Buffer

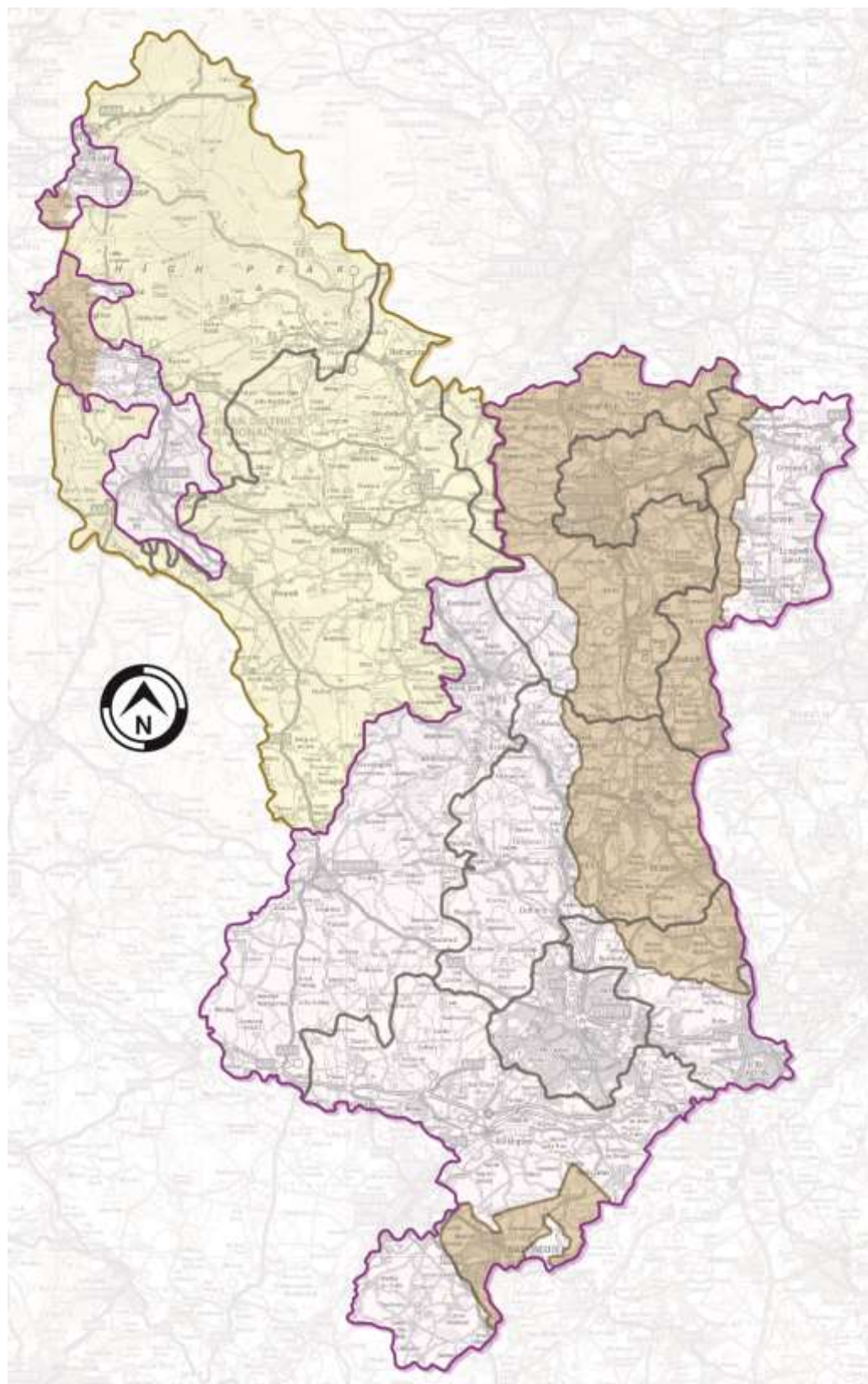
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Surface Coal Safeguarding Area



-  Plan Area
-  Peak District National Park Area
-  Surface Coal Safeguarding Area with Buffer

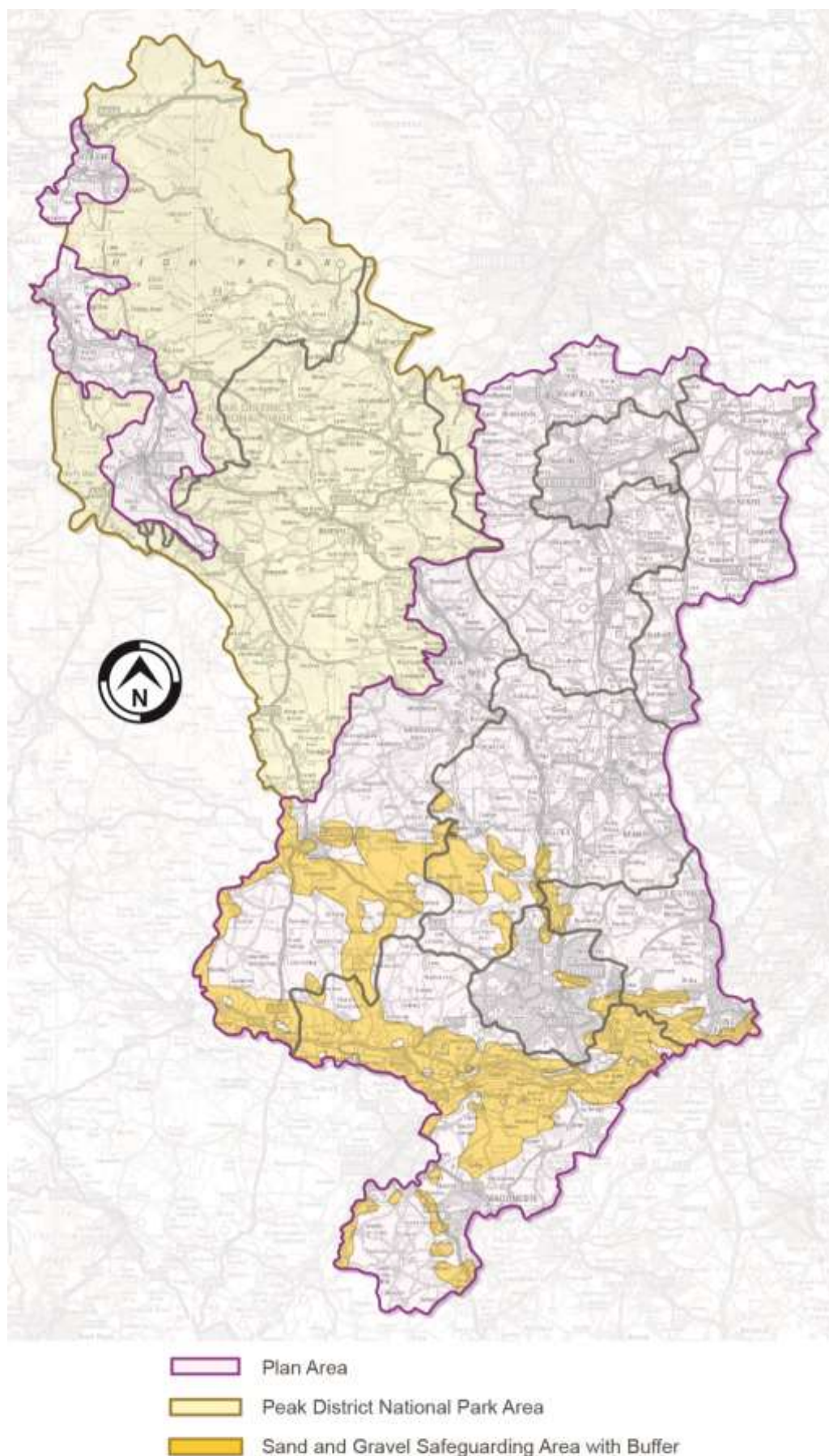
Note: Excludes buffer zones which are shown on the policies map

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Sand and Gravel Safeguarding Area



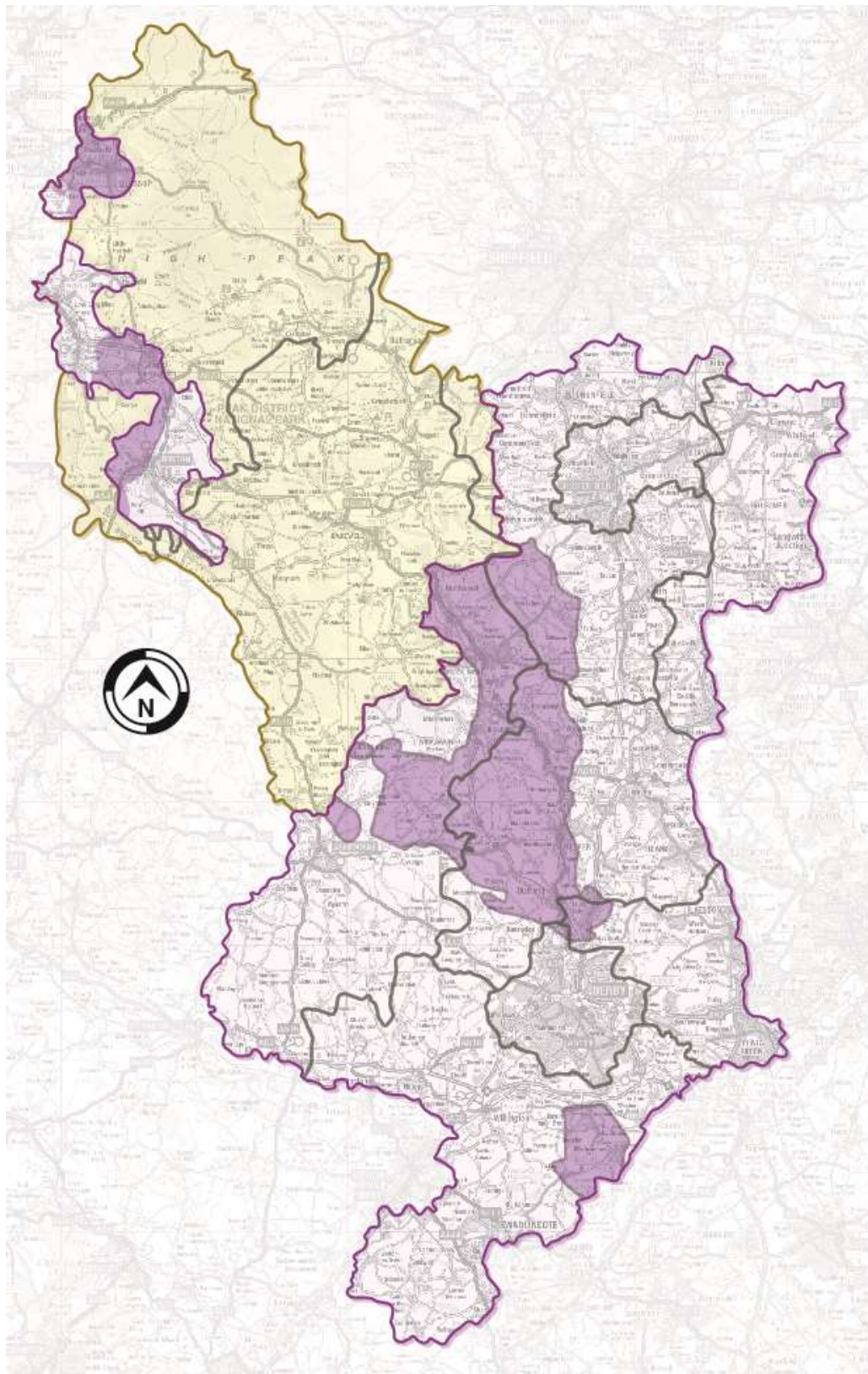
Note: Excludes buffer zones which are shown on the policies map

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Grit and Sandstone Resource



-  Plan Area
-  Peak District National Park Area
-  Sandstone/Gritstone Safeguarding Area with Buffer

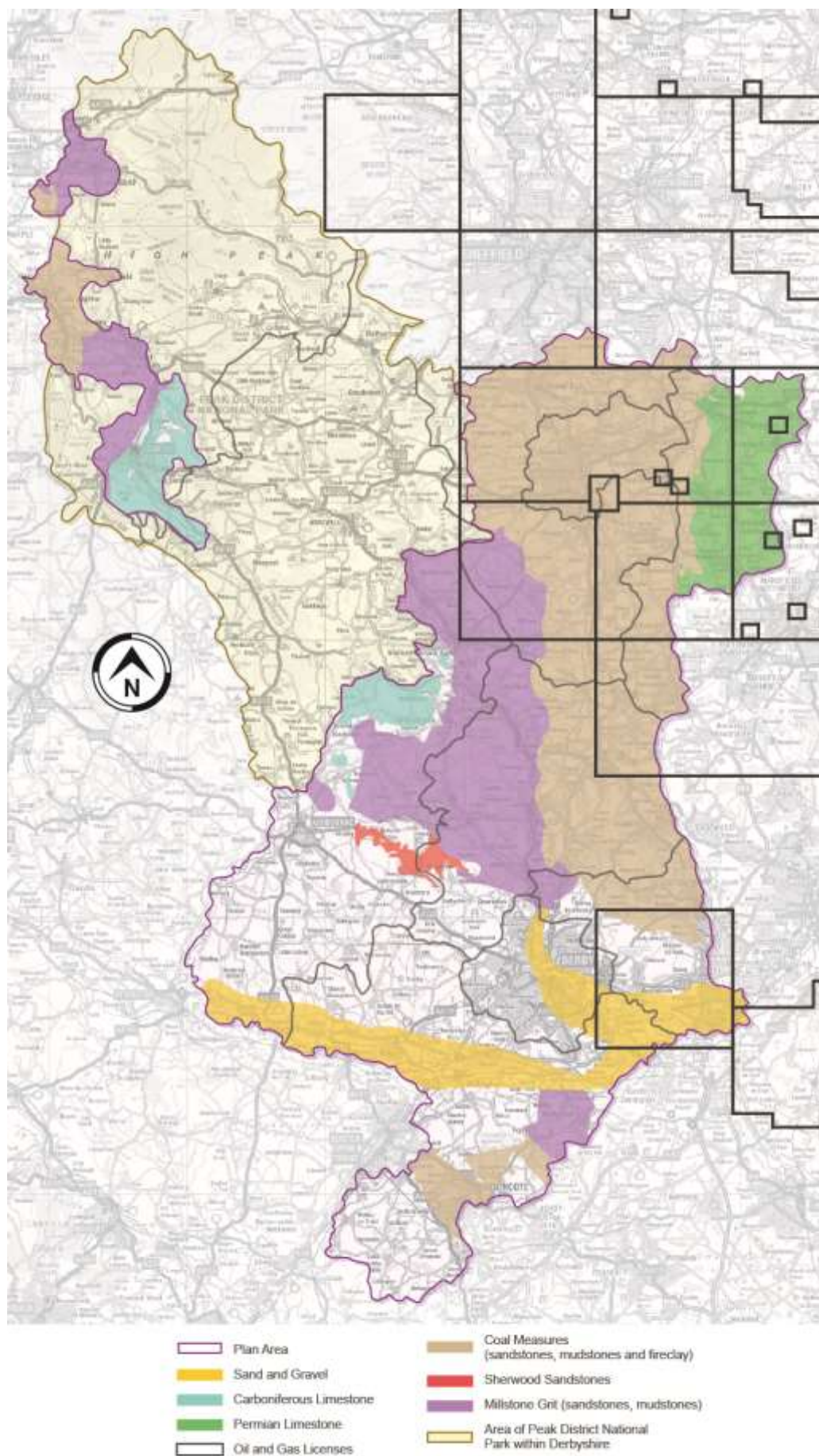
Note: Excludes buffer zones which are shown on the policies map

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Petroleum Exploration and Development Licence areas



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FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET

2 February 2023

Report of the Executive Director - Place

**Derbyshire and Derby Minerals Local Plan – Approval of Pre-submission
Draft Minerals Local Plan for Publication and Formal Public Consultation**
(Cabinet Member for Infrastructure and Environment)

1. Divisions Affected

1.1 County-wide.

2. Key Decision

2.1 This is not a Key Decision.

3. Purpose

3.1 To seek Cabinet approval for the content of the Derbyshire and Derby Pre-submission Draft Minerals Local Plan, attached at Appendix 2, and support for the Executive Director – Place, in liaison with Derby City Council, undertaking any minor amendments as necessary, and bringing the Plan and relevant background papers before the full Council for approval so as to enable:

- (i) their publication as the proposed submission documents for the joint minerals local plan for Derbyshire and Derby for the period up to 2038; and
- (ii) their use for public consultation in accordance with the relevant regulations with a period for making representations of eight weeks.

4. Information and Analysis

- 4.1 As a mineral planning authority (MPA), Derbyshire County Council is required by law to prepare a new minerals local plan. The law also requires that, generally, planning applications for development are determined in accordance with the local plans that are finally approved ('adopted') for the area. Thus, the adopted minerals local plan for an area is the main policy document that is used to assess planning applications for mineral development.
- 4.2 Derbyshire County Council and Derby City Council (also an MPA) have worked together to prepare a new Derbyshire and Derby Minerals Local Plan (MLP) covering the period to 2038 for the geographical county of Derbyshire (excluding the Peak District National Park). This new joint plan will replace the existing policies from the joint plan adopted in 2000 and amended in 2002.
- 4.3 The MLP will be an important, up-to-date, policy document for the Council to deliver sustainable minerals development. It will reflect Derbyshire's position as one of the country's leading producers of minerals, with limestone extraction being of both national and local significance.

The Derbyshire and Derby Minerals Local Plan to 2038

- 4.4 In order to achieve sustainable mineral and mineral-related development, national government policy (specifically in the National Planning Policy Framework 2022) directs that the MLP must deliver three overarching and interrelated objectives (economic, social, and environmental).
- The economic objective is to provide sufficient land for the right type of development, in the right place, at the right time to support growth, innovation and improved productivity.
 - The social objective is to support strong, vibrant and healthy communities by providing well designed and safe places with accessible services and open spaces that meet the needs of the community.
 - The environmental objective is to protect and enhance our natural, built and historic environment, including making effective use of land, improving biodiversity, using natural resources prudently, minimising pollution and mitigating and adapting to climate change including moving to a low carbon economy.

- 4.5 The draft MLP, as now proposed for publication, sets out priorities for delivering sustainable minerals development through its vision and strategic objectives. It includes a framework of strategic policies aimed at addressing those priorities, together with non-strategic, development management policies aimed at avoiding, minimising and mitigating the adverse impacts of minerals development. The strategic policies set out an overall approach for the pattern and scale of mineral development and make provision for the supply of minerals (including cross-boundary supplies) over the Plan period and where appropriate, identify specific sites for working.

Work to Date

- 4.6 Preparation of a local plan is a lengthy process and typically involves several stages of public engagement and consultation, both informal, as prescribed by the Town and Country Planning Regulations 2012. The process will culminate in the submission of the plan to the Planning Inspectorate, on behalf of the Department for Levelling Up, Housing and Communities (DLUHC), for Examination in Public.
- 4.7 The County and City councils are now at the end of the 'preparation' stage of plan making under Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012. This work culminated in a full draft MLP being consulted on for an eight week period last year, from 2 March 2022 to 29 April 2022. Several rounds of extensive public consultation and engagement had already been undertaken prior to this. All comments received in response to previous consultations were taken into account and used to inform the development of the policies of the Draft Proposed Minerals Local Plan consultation document.
- 4.8 To meet regulations 19 and 35 of the of the Town and Country Planning (Local Planning) (England) Regulations 2012, the next stage of the process is for the two councils to publish a version of the MLP as proposed for submission to the Inspectorate (known as a pre-submission draft), together with:
- (i) a sustainability assessment report,
 - (ii) a 'report of representations' detailing consultation carried out under Regulation 18 and the main issues involved
 - (iii) such supporting documents as in the opinion of the authorities, are relevant to the preparation of the local plan, and
 - (iv) a 'statement of representations' that will describe a process for consultation to be carried out on these documents.

- 4.9 People will be able to make representations about the pre-submission draft and associated documents within a time period to be specified in accordance with Regulation 20. It is proposed to specify a period of the same length of time as was used for the public MLP consultations previously carried out, namely eight weeks.
- 4.10 It is important to note that the Regulation 19 consultation is the final stage of public engagement before the MLP is submitted to the Inspectorate for examination. The matters to be considered and commented on by the public, other consultees and stakeholders at this formal stage may relate to legal compliance as well as the soundness of the MLP. The MLP should meet all legal requirements, including those under the relevant regulations. To be 'sound', the MLP should have been positively prepared, justified by evidence and effective in what it aims to achieve. Evidence is also required that, where necessary, the duty to co-operate on cross boundary matters has also been met. Generally, the MLP should also be consistent with national policy.
- 4.11 The Derbyshire and Derby Development Plans Joint Advisory Committee (JAC) consists of members from both councils and has provided valuable contributions to the preparation of the MLP and co-ordination of the associated public consultations. The JAC helped to shape and develop the Draft Proposed Minerals Local Plan which was subject to public consultation in March/April 2022.

Responses to the March/April 2022 consultation

- 4.12 A total of 463 individuals and organisations responded to this consultation and made a total of 3,560 separate representations. They included Government bodies and agencies, local authorities, mineral operators and other businesses, national and local interest groups, county councillors, parish/town councils and individual members of the public. Approximately 70% of the respondents used the same expression of objection, which mainly related to climate change and fossil fuel issues; this accounted for 2,978 of the total representations.
- 4.13 A report highlighting the main objections and supporting comments from the consultation is available on the Derbyshire County Council's website and has been sent to all councillors, interested stakeholders and those making representations.
- 4.14 The report identifies that key themes emerging from the Proposed Draft Plan consultation relate to concerns about, and objections to:
- the policies and text of the Vision and Objectives (990);

- Climate Change (1021); and
 - Fossil Fuels (664) and Hydrocarbons (466).
- 4.15 More detail on the nature of the representations is set out in the Report of Publicity and Consultation and include themes such as:
- the need to strengthen climate change policies;
 - no fossil fuel extraction;
 - no hydraulic fracturing;
 - no net increase in greenhouse gas emissions;
 - downstream emissions should be taken into account;
 - there should be a buffer zone around any hydraulic fracturing site as endorsed by the Inspector and included in the MLP covering North Yorkshire; and
 - no mineral extraction unless alternatives not available.
- 4.16 All the comments received on these key themes and those regarding other policies and concerns and objections raised to site allocations in the draft Plan used for the consultation have been carefully considered in the final policy development and drafting for the pre-submission draft MLP. This work has also involved consideration of information to update the evidence base and, where relevant, of recent changes to national policy, legal and planning appeal decisions.
- 4.17 At the JAC on 19 December 2022 officers provided an update on suggested alterations to the draft policies around the key themes of climate change, coal and hydrocarbons as compared to the draft policies under the previous consultation draft. The alterations suggested are incorporated into the proposed pre- submission draft now attached at Appendix 2. They raise the bar for what may be needed to address the climate change imperatives, whilst still complying with national planning policy.
- 4.18 The suggested alterations stop short of saying “no” to fossil fuel extraction and hydraulic fracturing as this would currently be against the National Planning Policy Framework. An inspector at the Examination in Public would be likely to reject any policy that was absolutely against such development. The suggested approaches move the MLP forward from the proposed Draft Minerals Local Plan consulted upon earlier this year. The approaches suggested reflect some of the concerns of the Derbyshire public over climate change and hydraulic fracturing but also look to future-proofing policies as the climate change agenda comes more to the fore, and swings in national policy and uncertainty over hydraulic fracturing can be anticipated to continue.

4.19 The JAC supports the alterations being worked up into a final form of policy wording for the pre-submission draft MLP to include:

- A strengthening of the climate change policy to require:
 - Proposals to demonstrate a reduction in greenhouse gas emissions directly associated with the development over its lifetime in line with national and local greenhouse gas targets.
 - Proposals for coal extraction to demonstrate net zero emissions from the outset.
 - Proposals to be accompanied by a climate change impact assessment setting out how measures to reduce emissions and adapt to climate change have been considered, incorporated and will be monitored and reported.
 - The assessment to also include an assessment of whether there is a causal connection between the proposal and any impact on the environment associated with any indirect emissions and, whether this constitutes a significant indirect effect of the proposed development.
- A presumption against the use of coal for the purposes of electricity generation and a requirement that proposals for coal extraction are 'net zero' for the whole lifetime of the development (including restoration and aftercare).
- A more precautionary approach to proposals for the exploitation of oil and gas involving hydraulic fracturing, with the inclusion of a separation distance requirement for such proposals to protect the local amenity, health, well-being and safety of nearby sensitive receptors e.g. residences, schools, residential homes, hospitals etc. Where the distance proposed from a well site and associated infrastructure to sensitive receptors is 500 metres or less, proposals will **not** be supported in principle. These proposals will need to include a robust assessment of the adequacy of the proposed separation distances and any proposed mitigation measures to demonstrate the acceptability of impacts.

4.20 The pre-submission draft Derbyshire and Derby MLP is supported by a number of other documents which are considered relevant to the preparation of the local plan; they are listed in the Background Papers section of this report. The sustainability appraisal report and a report of representations (detailing all the comments and objections received to the March/April 2022 consultation and summarising the outcomes from them for the MLP), which are also within the background papers, complete what is required for publication in accordance with Regulation 19.

- 4.21 The JAC met on 16 January 2023 to consider the final version of the pre-submission draft MLP proposed for consultation under Regulation 19, that now forms Appendix 2, and to provide feedback regarding the carrying out of that consultation with this document.
- 4.22 The JAC expressed support for the putting forward of the proposed pre-submission draft MLP, as presented to them (save any minor drafting changes) for approval on behalf of the County and City Councils, to enable the carrying out of publication under Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012, and a consultation period of 8 weeks.

5. Consultation

- 5.1 Wide ranging public consultation will need to be carried out to accord with the adopted Statements of Community Involvement of both councils, as well as the regulations, for a period of eight weeks. This will include consulting district, borough, parish and town councils within and adjacent to the Plan area, statutory consultees, local community and interest groups, the industry. The consultation will include use of the 'Have Your Say' section of Derbyshire County Council's website and social media platforms, including a video promoting the consultation and inviting participation. Drop in sessions in the north, south, east and west of the Plan area will be held.

6. Alternative Options Considered

- 6.1 The only alternative option that might conceivably be chosen is for the Council to do nothing further towards adoption of a MLP based on the preparation work for a new MLP that has been carried out. Both councils would then be set back for a long time from completing preparation of an up to date MLP against which applications for minerals development could be assessed. As a consequence, the Councils might then run the risk of intervention by central government to take on the preparation of new minerals local plans for Derbyshire and Derby. There is no discernible benefit that would arise from taking this option, so to do so would appear to be likely to be irrational.

7. Implications

- 7.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

8. Background Papers

8.1 Derbyshire and Derby Minerals Local Plan Main Supporting Papers: Spatial Overview

- Climate Change
- Secondary and Recycled Aggregates
- Sand and gravel, Crushed Rock
- Reducing Quarrying in the PDNP
- Building Stone
- Industrial Limestone
- Industrial Limestone Cement
- Brick Clay and Fireclay
- Vein Minerals
- Coal and Colliery Spoil
- Oil and Gas Conventional
- Oil and Gas Un-conventional
- Gas from Coal
- Safeguarding Mineral Resources
- Safeguarding Minerals Infrastructure
- Cumulative Impacts

8.2 Development Papers:

- Strategic Priorities - Vision and Objectives
- Sustainable Minerals Development
- Climate Change
- Secondary and Recycled Aggregates
- Sand and gravel
- Crushed Rock
- Reducing the supply of aggregates from the PDNP
- Building Stone
- Industrial Limestone
- Brick Clay and Fireclay
- Vein Minerals
- Coal and Colliery Spoil
- Hydrocarbons
- Safeguarding Mineral Resources
- Safeguarding Minerals Infrastructure
- Restoration of sand and gravel sites in the River Valleys
- Development Management

8.3 Duty to Cooperate (DtoC) papers:

- DtoC Introduction and Overview
- DtoC Statement of Common Ground

- DtoC Evidence

8.4 Representations paper:

- Report of Representations on 2022 Consultation

8.5 Assessment papers:

- Sustainability Appraisal
- Strategic Transport Assessment Stages 1 and 2
- Habitats Regulations Assessment
- Strategic Flood Risk Assessment
- Sand and Gravel Sites Assessments
- Sand and Gravel Sites Assessment Methodology
- Equalities Impact Assessment
- Health Impact Assessment

9. Appendices

9.1 Appendix 1 – Implications.

9.2 Appendix 2 - Derbyshire and Derby Pre-submission Draft Minerals Local Plan.

10. Recommendations

That Cabinet resolves to:

- a) Approve the content of the Derbyshire and Derby Pre-submission Draft Minerals Local Plan, attached at Appendix 2.
- b) Support the Executive Director – Place, in liaison with Derby City Council, undertaking under delegated authority any minor amendments as necessary, and bringing the Plan and relevant background papers before the full Council for its approval so as to enable:
 - (i) their publication in accordance with regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012 as the ‘proposed submission documents’ for the joint minerals local plan for Derbyshire and Derby for the period up to 2038; and
 - (ii) their use for public consultation in accordance with regulations 19 and 35 with a period for making representations of eight weeks.

11. Reason for Recommendations

- 11.1 To enable the Council to be recommended to approve the Plan at Appendix 2 and the relevant background papers (with any necessary

minor amendments) as the proposed submission documents for publication in accordance with regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012 and use for associated public consultation in accordance with the Regulations.

12. Is it necessary to waive the call in period?

12.1 No.

Report Michelle Spence
Author:

Contact Michelle.Spence@derbyshire.gov.uk
details:

Implications

Financial

- 1.1 There will be a charge for hiring venues for drop-in sessions should they be held and for producing videos for publicising the consultation. This cost can be met from within existing budget.

Legal

- 2.1 The recommendation in this report is made having full regard to the County Council's responsibilities under the provisions of the Localism Act 2011, Planning and Compulsory Purchase Act 2004, Town and Country Planning Act 1990 and the Town and Country Planning (Local Planning) Regulations 2012.

Human Resources

- 3.1 None directly from this report.

Information Technology

- 4.1 None in particular. Publication in accordance with Regulation 19 of the 2012 regulations will involve making the relevant documents available through the councils' websites.

Equalities Impact

- 5.1 An Equalities Impact Assessment accompanies the Plan.

Corporate objectives and priorities for change

- 6.1 Adoption of the Minerals Plan is a corporate and Council Plan priority

Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

- 7.1 There are significant environmental sustainability implications that are referred to in the main part of this report. These have been assessed in the preparation of the MLP.

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