

**Town and Country Planning Act 1990 – Section 78 Town and County
Planning (Development Management Procedure) (England) Order
2015 Town and Country Planning (Inquiries Procedure) (England) Rules 2002**

**Proof of Evidence of Mike Lord BA (Hons) Business
for Stop The Quarry Campaign – Rule 6 Party
Economic Impact**

Land at Lea Castle Farm, Wolverley Road, Broadwaters, Kidderminster, Worcestershire

**Proposed sand and gravel quarry with progressive restoration using site derived and imported
inert material to agricultural parkland, public access and nature enhancement**

Application reference: 19/000053/CM

Appellant's name: NRS Aggregates Ltd

Appeal reference: APP/E1855/W/22/331009

8th October 2024

1.0 Authors Qualification

- 1.1 I am a local resident of Wolverley, living just over 1 mile north of the site for the past 14 years.
- 1.2 I hold a business degree and have over 25 years of experience serving in executive and board positions across multiple companies, with expertise in economic policy, trade, and business management. I have created over 800 jobs through three major business expansions and currently oversee companies with a combined turnover of £100 million and 500 employees.
- 1.3 I am well-versed in the economic impacts of local and national policies and have significant experience in small business dynamics, including in areas heavily reliant on tourism and leisure.
- 1.4 During this time I have also been involved in running trade associations and used to dealing with both government and economic policy. Beyond my business degree I am well read on economic matters and the general effects of trade and on trade of economic policy. I am not an economist neither am I a planner or expert in planning law and policy. I do consider myself an expert in business.
- 1.5 In addition, I have been a business angel investing in very small businesses, turnarounds, scaleups and start-ups. I have seen some of these businesses fail and am therefore very aware of the small margins of change that affect such businesses determining success and failure.
- 1.6 I know well some of the owners of the small local businesses and the dependence on many jobs in the local area on recreation and tourism.

2.0 Policy

- 2.1 NPPF Section 8 sets out the “three overarching objectives” of planning policy. The first listed states “an economic objective – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth.....”
- 2.2 NPPF section 38 states that government should **secure** “developments that will improve the economic, social and environmental conditions of the area” in its decision making.
- 2.3 In total the word Economic is referred to over 20 times in the context of positive impact on the local area in the policy document.
- 2.4 The NPPF, particularly in Paragraphs 80 and 84, emphasizes that economic benefits from developments must be weighed against potential harm to local economies, especially in rural areas. This is particularly important where the local economy relies heavily on sectors such as tourism and leisure, which may suffer from incompatible developments like quarrying. In public inquiries, decision-makers must rely on these principles to assess whether the economic benefits of projects are substantial enough to justify their impact on the community and environment.

- 2.5 In **Paragraph 84** of the NPPF addresses situations where development in rural areas (like quarries) is considered. It emphasizes that economic benefits from such developments need to be weighed against potential harm to the local economy, landscape, and environment. One of the key considerations is whether the development can bring a clear, positive economic impact that outweighs its potential negative effects on the surrounding area, especially in cases where the local economy is reliant on tourism or small businesses.
- 2.6 Additionally, **Paragraph 80** of the NPPF highlights the need for demonstrating "special circumstances" in specific cases like greenbelt or countryside development. While this typically refers to housing, the principle applies more broadly, where the economic contribution of a development must be balanced against its impact on the local environment and existing economy.
- 2.7 In public inquiries, decision-makers often rely on this guidance to assess whether the economic benefits of projects like quarries are substantial enough to justify their impact on the community and environment. As seen in previous cases, the detrimental effect on local businesses (such as those relying on tourism or recreation) has often been deemed sufficient grounds to reject development. Case examples a provided at Section 8.
- 2.8 This guidance from the NPPF supports the argument that unless a development demonstrates a significant, sustained economic benefit to the local economy, special circumstances cannot be easily justified in applications, especially when the benefits are perceived to be minimal or temporary.
- 2.9 It is clear the policy requires the Appellant to ensure a positive economic outcome and specifically for the local area. Since this is one of "three overarching objectives" it is explicit that this must be demonstrated.

3.0 Introduction

- 3.1 In general, the application is very one sided. It would be expected that any application should consider not only the positive impacts of a development but also offset these with likely negative impacts. The application/EIA refers to no negative impacts.
- 3.2 In general, the application focuses on the need for aggregates and the positive economic impact of this need. It presumes that there is therefore a positive impact on the local economy to such need. Whilst it is accepted that there is a general positive impact on GDP of construction as a whole the existence of a quarry on this site will not necessarily provide as significant a positive impact on the local economy as suggested.
- 3.3 In addition, positive GDP impacts can only be claimed if production is additive not substitutional. Since quarrying is pulled by demand from primary product supply, housing for example, then it can be assumed that GDP from this quarry would be substitution supply not additive supply. There is therefore no addition to national GDP. The Appellant therefore must show the impact on the local area only.
- 3.4 The appellant has failed to provide the necessary evidence to demonstrate that the local economy would benefit in a way that offsets the negative impacts. Specifically, there is no detailed economic modelling of the local area, nor any exploration of alternative local industries that may suffer from the proposed development.

- 3.5 As per standard practice in EIAs and planning submissions, the assessment should include both the positive and negative economic impacts on the local community, which the appellant has failed to address.
- 3.6 I do not believe that this can be demonstrated and the inquiry should therefore refuse the appeal on this aspect alone. Below I set out my reasons.

4.0 Behavioural Economics and the difficulty of forecasting

4.1 Difficulty of Economic Forecasting

Economic forecasting is inherently challenging due to the number of variables involved, such as market trends, government policies, and unforeseen events. Local economies are even harder to predict because they depend on microeconomic factors like community sentiment, environmental conditions, and specific industries like tourism and leisure, which are highly sensitive to external changes like a new quarry development. As a result, economic forecasts can often only provide a range of possible outcomes rather than precise figures.

4.2 Impact of Perception in Economic Decision Making

Perception plays a significant role in shaping economic decisions. For example, even if data suggests a development might boost employment, negative perceptions—such as fears about environmental harm, noise, or pollution—can deter investment, reduce property values, or drive away tourists. In cases of quarrying, the perception of harm to the landscape or quality of life can have an outsized impact on tourism and local businesses, even if actual impacts are less severe than expected.

4.3 Why These Factors Make Quarrying's Local Economic Effects Uncertain

The difficulty in economic forecasting combined with the subjective nature of public perception makes it hard to provide precise predictions for the local economic impact of quarrying. Residents and tourists may avoid areas near quarries due to concerns about environmental damage or health risks, regardless of whether these risks materialize. This uncertainty complicates assessments of long-term economic harm, especially for industries like tourism, which rely heavily on environmental aesthetics and community sentiment.

4.4 Likelihood of Reductions in Tourism and Leisure

Quarries often involve large-scale land disturbance, which can degrade the scenic value of rural areas. Tourists seeking outdoor recreation, eco-tourism, or countryside experiences may be discouraged by the visual impact, noise, and dust from quarry operations. Over time, the presence of a quarry can lead to a reduction in visitors, impacting hospitality businesses, tour operators, and local attractions, all of which rely on maintaining a pristine environment.

Just because NRS have submitted reports on dust and noise that say there aren't impacts doesn't mean people still won't behave like there will be.

4.5 Why Parents May Not Want to Send Children to Schools Near Quarries

Parents may be hesitant to send their children to schools located near quarries due to concerns about pollution, noise, and safety. Dust and air pollution from quarries can aggravate respiratory conditions, and the noise from blasting can be disruptive to the learning environment. Moreover, the perception of environmental degradation around a school can lead to fears about long-term health effects, making schools near quarries less attractive to parents who prioritize their children's well-being.

4.6 Economic Theories & Human Element in Decision Making

Behavioural economics is now widely accepted by economists to play a very important role in the economy. Modern economic theory increasingly emphasizes the **human element**, focusing on how perceptions, biases, and behavioural factors influence economic decisions. Behavioural economics, popularized by books like "**Freakonomics**" by Steven D. Levitt and Stephen J. Dubner, argues that people don't always act rationally when making financial or business choices.

- 4.7 I believe this demonstrates substantive evidence (that the previous inspector was unable to agree with section 172) that the quarry is likely to make people behave in a way that will cause harm to the local economy. It would in my view be brave to argue otherwise. The perception of harm, whether harm exists, is harm in itself when it comes to economic behaviour particularly in a localised environment.

5.0 Local Area Small Business Economic Impacts

- 5.1 NRS and the landowner are not based locally, in fact, it is understood that the landowner is based in a tax haven and will benefit from as much as 20% of the value of the aggregates removed and therefore a significant share of the profit, and therefore the economic impact, will be held offshore. The remainder of the economic benefit in terms of profit will also be outside the local area.
- 5.2 The specific local economic impact relates only in the Appellants' opinion to the creation of "11 jobs". The jobs are not detailed and so it is unclear of the skill level of the jobs. There is also no commitment to employ local workers for these jobs. It can be assumed that most reasonable companies would seek experienced staff for these jobs and since there are no quarries in the local area it is unlikely that the local area will have the full impact suggested.
- 5.3 It would seem more likely that the Appellant would move existing employees to this site from other worked out quarries. It is likely therefore that the jobs include some displacement from existing Appellant owned sites and therefore not new jobs, some labour from outside the area as well as possibly a few local jobs.
- 5.4 The application makes no mention of any negative impact on the local economy. This seems unrealistic given that the local area relies on tourism and leisure as well as education very strongly. It is inevitable that there will be some negative impacts on local jobs which in my expert view may very well exceed those created for the specific reasons outlined below.
- 5.5 The application and subsequent responses make no reference at all to any study of potential impact of the development on other local businesses. It does not recognise tourism and leisure as being significant. Local businesses have not been studied by any reports and there is no reference to any adverse impacts by the development in the local area. In fact, at no time has the Appellant acknowledged that the area is heavily reliant on leisure and tourism

for jobs. The diagram at Appendix 1 shows the concentration of Leisure and Tourism businesses in the immediate vicinity of the quarry.

- 5.6 The local economy is uniquely vulnerable to developments like the proposed quarry, which would directly conflict with the area's reliance on tourism, recreation, and small businesses. This is further exacerbated by the appellant's lack of commitment to employ local workers or invest in the local infrastructure, leading to minimal long-term benefit for the community.
- 5.7 In my opinion, and that of local businesses in general, the presence of an open quarry in the area will potentially significantly impact these businesses as a quarry will inevitably make the area less attractive to visit. The employment impact of this could be more significant than the estimated jobs created and the impact on the local area in excess as most employ local people. This impact would also be more long term than the 10-year quarry development. This in my view has a significant long and short term risk to the economics of the local area.
- 5.8 Put simply quarrying and the tourism and recreation industry are simply not compatible.

6.0 Heathfield Knoll School

- 6.1 This local private school employs over 40 people. This school is an amalgamation of 2 local schools some 8 years ago. Private, predominantly primary, education is difficult economically.
- 6.2 Private schools are already dealing with a big shock from VAT legislation.
- 6.3 The nursery element of this school is only 15m from the proposed site edge. The rest of the school is approximately 40m away.
- 6.4 Parent perception is everything in deciding which school to send your children to. The previous inspector agrees with the perception risk both in terms of education and tourism in the area. It seems obvious that perception is always more of a driver than reality when economic decisions are made particularly when it comes to those decisions relating to our children.
- 6.5 I strongly believe that this development puts the school in jeopardy of partial or full closure. This is a difficult subject for the school to discuss but I believe the headmaster will make separate representation about his school to the Inquiry.
- 6.6 The perception of the threat from the quarry to parents and the likely reduction in enrolment from VAT create a perfect storm for this school's future.
- 6.7 The potential decline in enrolment due to the proximity of the quarry could significantly reduce the school's revenue, with detrimental effects on employment. As a major local employer, any reduction in staff would have a direct negative economic impact on the area.
- 6.8 If this impact is realised as expected, then the economic impact to the local economy is serious as the school is one of the bigger employers in the local area and employs local people. This seems highly probable to cause an overall loss of jobs in the area. When added to the risk to local businesses the cumulative impact to the local economy could be far reaching.

6.9 At no time has the Appellant considered any of the potentially negative impacts on jobs.

7.0 Cumulative Estimated Net Gain

7.1 The Appellant claims a gain of £750,000 to £1,000,000 for the local economy “based on other sites”. The Appellant has at no time set out the evidence for this claim. Essentially the Appellant has not made and evidenced based case for any positive or negative impact to the local area economy.

7.2 The Appellant has used macro-economic arguments about Gross Value Add per job which have no bearing whatsoever on the local micro economy. In addition, the Appellant references multiplier effects. These are generic macro-economic terms which could be applied to local economies if the prevailing infrastructure was already supportive of the industry in question, which it is not. Again, the effects will be felt on a macro scale not on the local economy.

7.3 The best approximation of any bases to any claim of improved local area economic impact is as follows in my view;

11 jobs at national average wage of approx. £32,000, would lead to a maximum local impact of £352,000. This assumes that the taxable element of this pay also has a local impact which it would not. This would reduce this amount by roughly 25%. I can see no other local area impacts of any significance. Given that there are likely less local people employed than 11 this would reduce this still further.

7.4 The Appellant is based away from the local economic area and the site owner lives offshore. Most gains from this site do not exist in the local area but elsewhere. No funding is proposed by the Appellant to develop the area or to further stimulate the local economy.

7.5 It also remains unclear; despite a planning application and a previous public inquiry how many jobs will be created. The documentation references both 8 and 11 jobs. This was a point of confusion at the last Inquiry and still remains so.

7.6 As the previous inspector was able to agree (section 171) the benefit to the local economy of the quarry would be “a benefit of minor significance”.

8.0 Impact on other Approved Developments

8.1 In addition to the impacts on current businesses and schools I can envisage further impacts on other approved and ongoing developments as well as the recently adopted Wyre Forrest Local Plan.

8.2 The adjacent development to the proposed quarry site is housing, schooling and light industrial buildings. It is likely that the approval of the quarry will have an impact on the attractiveness of this development since it is directly in the line of site and only 150m distance from the proposed site.

8.3 The proposed quarry therefore conflicts with the recently adopted Wyre Forest Local Plan, which emphasizes the promotion of sustainable, high-quality residential developments. The proximity of the quarry may reduce the attractiveness and viability of these developments, potentially leading to lower housing values and reduced investment and so defecting the aims of the Local Plan.

- 8.4 It is difficult to estimate this impact in local area terms but this could range from making certain aspects of the development uncommercial due to housing value impacts to reduced profitability. There is also some offset to this as the close proximity of a quarry could reduce sand and gravel costs to developers.
- 8.5 As this development was only partially approved until after planning it is understandable that any possible impact was not previously calculated. It will be interesting to see if the Appellants proofs take account of this at this Inquiry given significant time has elapsed since the approval of the Local Plan.

9 Summary

- 9.1 A fundamental pillar of the Application as disclosed by the Appellant is that it must provide a positive economic impact. As discussed above this is a requirement of any planning application in line with National Policy.
- 9.2 The Appellant has skimmed the surface of the economic arguments. It has used macro economic arguments and data in an attempt to relate it to a local economic micro impact. Further it has extrapolated findings from other sites without justification. It has not looked at any displacement of current industries and indeed dismissed the existence of alternative employment to quarrying. There is no recognition of any negative economic impacts and no engagement with local businesses to mitigate such a risk, if such mitigation is possible, which seems unlikely.
- 9.3 The appellant's reliance on macroeconomic indicators, such as Gross Value Added (GVA), is inappropriate for evaluating the localised economic impact. GVA multipliers are not necessarily applicable to the microeconomy of the Wolverley area, where the infrastructure is not conducive to large-scale aggregate production. The absence of detailed economic modelling specific to this locality undermines the appellant's claims.
- 9.4 The previous inspector found "no conclusive evidence" of a negative impact but also only found that the impact of the quarry on the local economy would be "a benefit of minor significance". The perception of local people of health impacts from dust and noise gives rise to significant negative human factor impact on the local economy. This will have impact not just in perception but in reality as people will use these negative feelings to decide on where they spend their money be it on leisure and tourism or on education of their children. Risk to the existing local economy is in my view high whilst benefit of quarrying is low.
- 9.5 There is one major economic risk from these human factors which is Heathfield Knoll school. At 15 meters from the quarry there is clear and significant risk of a detrimental effect on enrolment which will have consequential effects on employment. The school employs more than 5 times as many people as the proposed development. We should not be asked to risk these jobs for 11 new jobs likely to be filled from outside the local area.
- 9.6 The Appellant has failed to make and fully evidence any argument that satisfies a positive impact on the local area economy.
- 9.7 The Appellant has failed to take account of any negative impacts to the local area economy which have been clearly stated and justified above.

- 9.8 I believe that there is a significant risk of an overall reduction in the size of the local economy and on other local developments.
- 9.9 In conclusion, without clear and compelling evidence of a positive impact on the local economy and without addressing the significant negative impacts, this proposal should be refused. The appellant has failed to meet the necessary standards outlined in the NPPF, which require that developments to demonstrate a sustained economic benefit, particularly in sensitive areas such as this. There is a strong basis for refusing the appeal.

