



Protect Ffos-y-fran's restoration & community safety

SUMMARY

Merthyr (South Wales) Ltd operated the large opencast coal mine, Ffos-y-fran, and continues to manage the site in Merthyr Tydfil. The final restoration of the site was agreed between the operator and Merthyr Tydfil County Borough Council. Cost estimates of this restoration plan range from £75-120 million.

However, after Merthyr (South Wales) Ltd mined and sold the coal at Ffos-y-fran, the company declared it will not fund the restoration plan it agreed to. Instead, the company has submitted a new application to the Council, which – if approved – would remove its obligation to fund the standard of restoration agreed in 2015.

If Merthyr Tydfil County Borough Council approves Merthyr (South Wales) Ltd's new application, the 58,000 residents of Merthyr Tydfil will lose nearly £100 million in restoration works promised to them, and allow that to be siphoned into windfall profits for a private company that would leave behind yet three more coal tips to blight South Wales' landscape, burden the tax payer, and drive fear into the communities living close by.

RECOMMENDATIONS

Your voice is urgently needed to **encourage the Welsh Government to safeguard Ffos-y-fran's restoration**. The Planning and Environment Decisions Wales (PEDW) must call this application in to be better scrutinised by the Welsh Government, with the resources to investigate Merthyr (South Wales) Ltd's capacity to fund the level of restoration it is contractually obligated to. In particular, please:

1. Request that the Minister for Mental Health and Wellbeing assesses the application as a priority, given the tragic death-toll from members of the public

exploring landscapes left in a similar state to what is now proposed for Ffos-y-fran. The Minister should also consider the impact on mental health and wellbeing the new application would have on the population of Merthyr Tydfil. The people have a right to enjoy a healthy and safe environment.

2. Request that the Cabinet Secretary for Economy, Energy and Planning proactively investigates this matter, given the huge sums of finances at stake, the profile of this case, and the repercussions it could have for the Welsh planning adherence – in particular: Planning Policy Wales (Ed.12, 5.9.30) provides that “operators should ensure that sufficient finance is set aside to enable them to meet restoration obligations.”.
3. Request that the Welsh Government reverse its decision to refuse the release of the counsel it received about the restoration of Ffos-y-fran. It is a matter of great public interest, there are tens of millions in private and public finances at stake, and the Welsh Government holds a historic responsibility for the site. It is therefore critical that the Welsh Government adopts a transparent approach in its handling of Ffos-y-fran. We call on the Counsel General and Minister for Delivery to take leadership in this.

BACKGROUND

Ffos-y-fran opencast coal mine has been controversial since its inception in 2007, with local residents complaining of noise and dust pollution. Now closed, Ffos-y-fran opencast coal mine sprawls over an area of 440ha in Merthyr Tydfil, with the edge of the void just **270 metres** from the nearest residential street. The land is mostly Common, and was criss-crossed by public footpaths. The mine operated for 16 years up until late 2023, although the last year of its operations were illegal and without planning permission. This led the Climate Change, Environment, and Infrastructure Committee to investigate the matter and brand it a case of “epic mismanagement”, and acknowledging “People’s lives, health, well-being, and homes have been severely affected over many years, if not decades”. The original mine application was rejected by the

local council, but the Welsh Assembly successfully supported the application at the Court of Appeal in 2005.

The Welsh Assembly supported the application on the basis that revenue raised from the extraction and sale of coal would fund the restoration of derelict parts of the land at no cost to tax payers. The coal mine switched hands in 2015 from Miller-Argent to a smaller company, Merthyr (South Wales) Ltd. Merthyr Tydfil County Borough Council allowed the transfer and placed the responsibility to fund the restoration wholly on the new company, Merthyr (South Wales) Ltd, even though local residents warned the Local Planning Authority of the risk this smaller company may not fulfil the restoration obligation.

THE NEW ‘PLAN’

The new application offers minimal works which the company will not provide additional funding for – it would be funded by the comparatively small £15 million fund held jointly by the Council in an Escrow account. This fund was intended to be used to carry out only critical works in case the operator abandons the site entirely. The Council changed the terms of this fund in 2024 so it could be released to the company, probably to prevent the company abandoning the site – a concern the Council voiced in Counsel to Welsh Government Ministers in 2023. To reduce the restoration from £75-£120 million down to £15 million, the new plan would:

- **Abandon the mining void** recently flooded by Merthyr (South Wales) Ltd. This could reach 1.14 million cubic metres of mine water – or, adjusting for the potential effects of climate change, 1.5 million cubic metres of mine water. The flooded void could reach an elevation of 286 mAOD. The closest edge of the flooded void to inhabitants’ homes is 320 metres.
- **Leave behind 3 coal tips** that comprise a total of 37 million m³ of colliery spoil, soil, and other material. These coal tips tower above nearby residents of Merthyr Tydfil by up to 210 metres. The closest edge of tip 1 is just 600 metres from inhabitants’ homes and has already suffered substantial collapse on one side.
- **Leave an excavated and exposed coal face cliff** with a sheer drop of around 150 metres into the flooded void.

WINDFALL PROFITS

Merthyr (South Wales) Ltd’s most recent, publicly available, financial report on Companies House states “during the year the directors again reassessed the restoration provision based on current operating costs in particular diesel prices which have decreased significantly and increased plant hire costs, which as a result increased the restoration provision by £0.2m to £91.2m”, by 31 Dec 2023, indicating record profits the year before. Its ultimate parent company, Gwent Holdings Ltd, also reported “The average coal price achieved increased by 94% to £151.66 per tonne” in its 2022 filing. For the complete avoidance of doubt that Merthyr (South Wales) Ltd fully budgeted to fund the agreed restoration, its 2022 financial report states “The total costs of reinstatement of soil excavation and of surface restoration are recognised as a provision at site commissioning when the obligation arises. The amount provided represents the present value of the expected costs.”.

The funding for Ffos-y-fran’s restoration was based on the sales of coal up until the end of its planning permission in September 2022 – but Merthyr (South Wales) Ltd continued illegally mining and selling coal for over a year after that, even outside its licenced area, profiting from an extra 640,000 tonnes of coal. It is therefore, even less credible that the company is unable to fund the standard of restoration it agreed to deliver.

EVIDENCE OF AVAILABLE FUNDING

In the face of all this, and with no evidence made public, Merthyr (South Wales) Ltd's representative claims: "It was established that there are insufficient funds available to achieve the 2015 restoration strategy and therefore an alternative scheme is required.". The Director of Merthyr (South Wales) Ltd, David Lewis, was reported in the media as being convicted of financial fraud, motoring offences, and most recently, given a police warning for physically assaulting an elderly solicitor.

GREENWASH

In an attempt to greenwash the new application to evade the cost of returning the coal tips to fill in the mining void, the company points to the emissions saved by earth-moving HGVs burning diesel. However, the emissions spared by leaving behind 3 colossal coal tips overshadowing 58,000 people would amount to just 2% of the illegal coal mining Merthyr (South Wales) Ltd did over 15 months after its planning permission expired. If the void is filled in with the coal tips, as per the agreed restoration plan, it would also provide a greater carbon sink cancelling out that CO2 of these earthworks even more.

THREAT TO LIFE AND LIMB

The new downgrade proposes to permanently leave huge health and safety hazards in a landscape that is in easy walking distance from the population of Merthyr Tydfil, even encouraging the public into this area. There are tangible risks to life and limb from a very deep flooded void, to a sheer cliff edge and massive coal tips, one of which has already suffered a large slip. The flooded quarry, Dorothea in Talysarn, Gwynedd is an abandoned quarry left in a similar state to what is now being proposed for Ffos-y-fran. Since 1990, there's been over 20 tragic deaths at Dorothea Quarry despite fencing and warning signage.

REFERENCES:

- 2015 restoration plan: A-PP 152-07-014
- 2024 application reference: P/25/0037
- Companies House
- Nation Cymru media

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