

10 February 2025

Dear Climate Change, Energy, and Infrastructure Committee,

Thank you for inviting me to represent Coal Action Network on 05 February 2025 in your Stage 1 scrutiny of the Disused Mine and Quarry Tips (Wales) Bill evidence session with environmental organisations. Towards the end of the session, I highlighted that Merthyr Tydfil County Borough Council Local Planning Authority is anticipating an application from Merthyr (South Wales) Ltd (coal operator) to reduce the quality of restoration planned for Ffos-y-fran compared to what the company agreed to deliver in 2015. Crucially, the coal operator is expected to propose retaining the three colossal coal tips in situ rather than returning them to the void it excavated during the course of opencast coal mining. This would likely add new coal tips to the coal tips register being proposed under this new Bill during its passage through the Senedd.

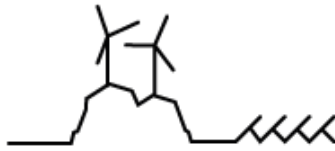
But we believe there is an opportunity to prevent these becoming new disused coal tips. The new planning application would be considered on the basis that the coal operator is unable to fund the delivery of the calibre of the restoration scheme it agreed to. But all the official documents we've seen (in the public domain) suggest the opposite – companies involved have even been claiming tax rebates on setting aside funds to pay for the agreed restoration scheme. Unfortunately, Merthyr Tydfil County Borough Council Local Planning Authority is declining to investigate the company's claims, even though tens of millions of pounds in restoration works hangs in the balance. We therefore ask if the Climate Change, Energy, and Infrastructure Committee (CCEIC) would ask the Welsh Government to launch an urgent inquiry into Merthyr (South Wales) Ltd finances and the Council's actions, issuing a 'holding directive' to prevent the Council approving the downgraded plan in the meantime. This issue speaks both to the CCEIC's current scrutiny of the Disused Mine and Quarry Tips (Wales) Bill as well as the CCEIC's short committee investigation into restoration issues of coal mines across Wales in 2024. Ffos-y-fran is being held up as an example of how not to do things, but it is too early to condemn communities in Merthyr Tydfil to a permanently scarred landscape and a failure to protect them against egregious profiteering to their detriment from the public bodies charged with that duty. We must not let Wales' history such as [Margam Parc Slip and East Pit](#) repeat.

Background

Coal operator: Merthyr (South Wales) Ltd (MSW LTD) is the current operator of the sprawling opencast coal mine, Ffos-y-fran, in Merthyr Tydfil, South Wales.

Coal operator's claim: "It was established that there are insufficient funds available to achieve the 2015 restoration strategy and therefore an alternative scheme is required." (EIA Scoping Report, July 2024). It is on this basis that a new application will be considered by Merthyr Tydfil County Borough Council.

Coal operator's proposal: To downgrade the restoration scheme promised to surrounding communities to one that amounts to doing as little as possible. Even returning the tens of millions of



cubic metres of coal tips to fill in the gaping void the company created and allowed to flood is considered "not feasible or economic" (EIA Scoping Report, July 2024)

Why the coal operator is offering to do any works: Merthyr Tydfil County Borough Council holds £15 million in an Escrow account that it forced MSW LTD to pay into (by court order). This was never intended to fund the original restoration agreement costed at £75-120 million, but that is what's happening now as MSW LTD is claiming the company doesn't have the finances to pay for the restoration it previously agreed to fund. MSW LTD wants this £15 million so is proposing a hugely downgraded restoration plan and presenting this as the only option so the Council will pay these funds out to them. The Council is afraid the company will walk away if it is compelled to honour its contractual agreement to fund the restoration itself. If that happens, the Council would have to pay a new company to come in to restore the site, which'd cost more.

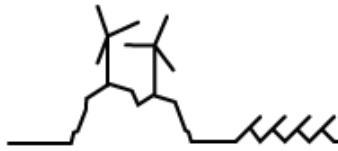
Our recommendation: Merthyr Tydfil County Borough Council has refused to pursue MSW LTD to deliver on the contractually agreed level of restoration, and is poised to consider a downgraded plan by MSW LTD which would affect surrounding communities living in Merthyr Tydfil for generations. These communities have already endured 16 years of coal mining, dust, and noise pollution; they deserve to be able to move on now, with a local environment long promised to them. The Welsh Government urgently needs to launch an inquiry into MSW LTD's and its parent company's finances, and the Council's actions, issuing a 'holding directive' to prevent the Council approving the downgraded plan in the meantime.

No evidence of limited finances

To our knowledge, there has been no evidence submitted by MSW LTD that it (or its parent company) cannot fund the full restoration it is contracted to undertake. On the contrary, MSW LTD's most recent, publicly available, [financial statement](#) on Companies House says "Full account has been taken for funding the restoration obligation in the future costs and cash flows", **making £90,948,885 available by 31 Dec 2022**, admitting record profits that year, with its ultimate parent company, Gwent Holdings Ltd, [reporting](#) "The average **coal price achieved increased by 94%** to £151.66 per tonne". This was based on Ffos-y-fran closing at the end of its planning permission in September 2022 - but it continued [illegally mining coal](#) for over a year after that, and even outside its licenced area, [selling an extra 640,000 tonnes of coal](#) - driving profits even further.

It's been **claiming tax discounts** to HMRC each year by phasing expected restoration costs that it now refuses to pay. This report goes on to say "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 sums of funds involved and the level of impact on a large number of people for generations warrants Welsh Government intervention where Merthyr Tydfil County Borough Council is failing to act. The CCEIC has already highlighted failures to act by Merthyr Tydfil County Borough Council during the year of illegal coal mining that MSW LTD was tacitly allowed to carry on – a repeat of this failure to act with local communities paying the price cannot be repeated.



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Interconnected companies involved

As is typical of the mining industry, operations and financing is done through a complicated constellation of interconnected companies, often owned by family members. This kind of practice could help evade liabilities - though we're not suggesting that was the intention here. The following information is accurate to the best of our knowledge, please refer to Companies House for confirmation/further details:

Merthyr (South Wales) Ltd

Company number 04261274

Named operator of Ffos-y-fran

David Stanley Lewis - Director and shareholder

Jayne Helen Lewis and Andrew John Lewis - Ex-Directors

MERTHYR (NOMINEE NO.1) LIMITED

Company number 04261269

David Stanley Lewis - Director as of August 2024

Jayne Helen Lewis and Andrew John Lewis - Ex-Directors

Dormant company subsidiary of Merthyr (South Wales) Ltd

Ffos-y-fran (commoners) Limited

Company number 04892620

Jayne Helen Lewis – Director

Andrew John Lewis - Ex-Director

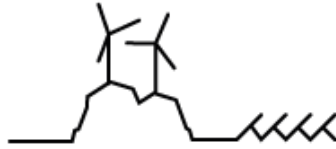
Dormant company subsidiary of Merthyr (South Wales) Ltd

Merthyr (Ffos-y-fran) Limited

Company number 06353565

David Stanley Lewis – Director

Jayne Helen Lewis and Andrew John Lewis - Ex-Directors



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Dormant company subsidiary of Merthyr Holdings Limited

Merthyr Holdings Limited

Company number 06330412

David Stanley Lewis – Director

Jayne Helen Lewis and Andrew John Lewis - Ex-Directors

Subsidiary of Gwent Investments Limited

Holding company of Merthyr (Ffos-y-fran) Limited (dormant) and Merthyr (South Wales) Ltd

Gwent Investments Limited

Company number 08936878

David Stanley Lewis - Director

Jayne Helen Lewis and Andrew John Lewis - Ex-Directors

Investment company of which Merthyr (South Wales) Ltd and Merthyr (Ffos-y-fran) Limited (dormant) is a subsidiary

Gwent Holdings Limited

Company number 10119615

Ultimate parent company of Merthyr (South Wales) Ltd

Jayne Helen Lewis and Andrew John Lewis – Directors