

East Pit

Summary

A time-extension was granted to Celtic Energy Ltd in 2004 by Welsh Ministers in order for a restoration scheme valued at £115 million to be delivered at the end of coal mining in 2012. Instead, Celtic Energy Ltd transferred land ownership to a shell company so the shell company was responsible for restoration without any means to carry it out. Celtic Energy Ltd then continued to mine coal beyond its 2012 planning permission. A cheaper restoration was negotiated with Port Talbot County Council at around £22 million which left a void to fill with water. The Council reports that restoration is complete but a site visit in September 2022 indicates an industrial complex and detritus remains, seemingly abandoned. The coal face remains visible above the water-line in the flooded void, which is fenced off from public access with multiple layers of barbed wire.

East Pit Revised Opencast Coal Site

Mining operator

Celtic Energy Ltd

Address

East Pit East Revised OCCS, New Road, Gwaun Cae Gurwen, Neath
SA18 1UP

Restoration by

Celtic Energy Ltd

Expected completion

The Council report restoration was completed in Spring 2022 + 20 year aftercare (for the nature conservation areas). The deadline within the planning approval was 31st March 2020.

Cost of restoration

At least £22.4 million (20% of the cost of the original 2004 restoration plan agreed). The aftercare slice of the restoration fund is estimated at £2.1 million.

County Council

Neath Port Talbot County Council





*Photo left: East pit coal mine void during mining.
Photo right: void filled with water (different side).*



What happens to the land after restoration

An outline planning application was submitted for the land to be divided between a country park (comprising a 120-bed hotel, 78 holiday lodges, a lake, campsite, visitor centre, dive centre and shop) on land retained by Celtic Energy (around the water-filled void), common land, and agricultural land. A site visit indicates that no building works towards this have started despite the Council reporting restoration is now complete, with some areas out of aftercare periods.

Site visit (September 2022)

The report from a site visit indicates a large lake sectioned off with barbed wire fences with the steep-sided coal face visible above the waterline in some places. A significant compound of Celtic Energy Ltd on the restored site seems to

be largely abandoned, with oil drums, a warehouse, offices, and rusting shipping containers comprising industrial equipment, and in one case, the shell of a classic car. Sheep from the surrounding grassland roam around the concrete compound freely.



Views of local community

The Council received [27 letters of objection](#) from the occupiers of 9 residential properties, as well as objections from Cyngor Cymuned Cwmllynfell Community Council, Caegurwen and Penllefedwen Commoners Association, and Quarter Bach Community Council. Concerns raised were wide-ranging but included the failure in the new restoration plan to return the land to its former state that was part of the bargain in exchange for another 7.5 years of coal mining in 2004. Of particular concern was the proposal to maintain the large body of water that had accumulated within the opencast void, rather than backfilling this as in the original agreement. Cyngor Cymuned Cwmllynfell Community Council claimed “The premise of allowing restoration which includes abandoning a massive void which will be allowed to fill with water is based entirely on compromise” The Community Council also argued “[t]here is no demand for the proposed after-use” in reference to the country park proposed.

Notes

The Welsh Government [delayed the approval](#) by Neath Port Talbot County Council as it considered calling in the decision the 2012 proposal to amend the restoration plan and continue coal mining for further 3 years. Eventually Ministers decided not to call in the decision, drawing [criticism from Friends of the Earth Cymru](#) and it was approved Immediately after a Senedd election.

Since taking over East Pit after the coal industry was privatised in 1994, Celtic Energy has submitted over 28 separate applications to change conditions, sought extensions, and amend plans. Just one of these applications contained 399 separate application documents. There are multiple updates of submissions and some application references don't appear on the Council's planning portal, sometimes due to the fact it pre-dates the Council's adoption of electronic record-keeping. The Council has cited Covid19 as a challenge to accessing offline records for this research, so it should be noted there may be some details missing in this overview.



Photo: East Pit restoration site, two layers of barbed wire fences surround the flooded void.

Controversy

Held to ransom: more coal mining in return for promised restoration

Mining was meant to cease at East Pit by 31 December 2001. A time-extension submitted by Celtic Energy Ltd in 2002 was granted by Welsh Ministers in December 2004 for 7.5 years of further coaling (May 2005 - 30 November 2012). Permission was on the condition of that the site be restored in line with the plan submitted after a public inquiry between Celtic Energy Ltd and the Planning Decision Committee of the then National Assembly for Wales in 2004 (P/02/0917/ Ref A-PP185-07-014). At the public inquiry, [a video was shown of successful opencast restoration projects](#), indicating

how the promise to restore the opencast site was contingent on permission for further coaling. Some of the local community saw Celtic Energy Ltd's application as primarily an attempt to [delay costly restoration works](#), suspecting the company of insufficient finances to carry it out.

The 2004 restoration plan created an agreement to return the area to its former geography, estimated to cost £115 million. However, despite having permission to mine coal from May 2005, Celtic Energy Ltd didn't resume mining operations until mid-2008, citing low coal prices. The company then continued mining coal without planning permission beyond the deadline of 2012 to make up for lost time, though there was no legal basis for this. Neath Port Talbot County Council opted [not to take enforcement action](#).



Photo: East Pit restoration site, seemingly abandoned industrial site with multiple shipping containers

Evasion of restoration responsibility

In 2010, to evade this cost, Celtic Energy Ltd transferred land ownership of East Pit, and the land of 3 other coal mines—together with the restoration obligations—to Oak Regeneration and its subsidiaries. Oak Regeneration is a shell company Celtic Energy Ltd set up in the British Virgin Islands without assets or means to carry out the associated restoration. This action resulted in a legal challenge from the Council and an investigation by the Serious Fraud Office. Celtic Energy Ltd's directors' homes were raided and they were arrested. However, at trial, the judge ruled that the actions may have been dishonest but were not illegal. The Government were ordered to pay Celtic Energy Ltd's substantial legal costs, as well as its own legal costs. In the same year, it is reported those directors received a sizeable bonus.

Celtic Energy Ltd remained the 'coal operator' but was no longer subject to any restoration obligations as they now leased the land from Oak Regeneration.

Even more coal mining in return for less restoration

In December of 2012, *The Lakes at Rhosamman Ltd*, a company set up just 3 months previously, submitted an application for a substantively different and cheaper restoration (P2012/1073). Crucially, this restoration plan involved leaving the opencast void to fill up with water, rather than the costly task of moving millions of tonnes of soil from other areas of the opencast project to fill it and restore the landscape. This is reminiscent of the change to Margam's opencast restoration plan, for which Celtic Energy Ltd was also the coal operator.

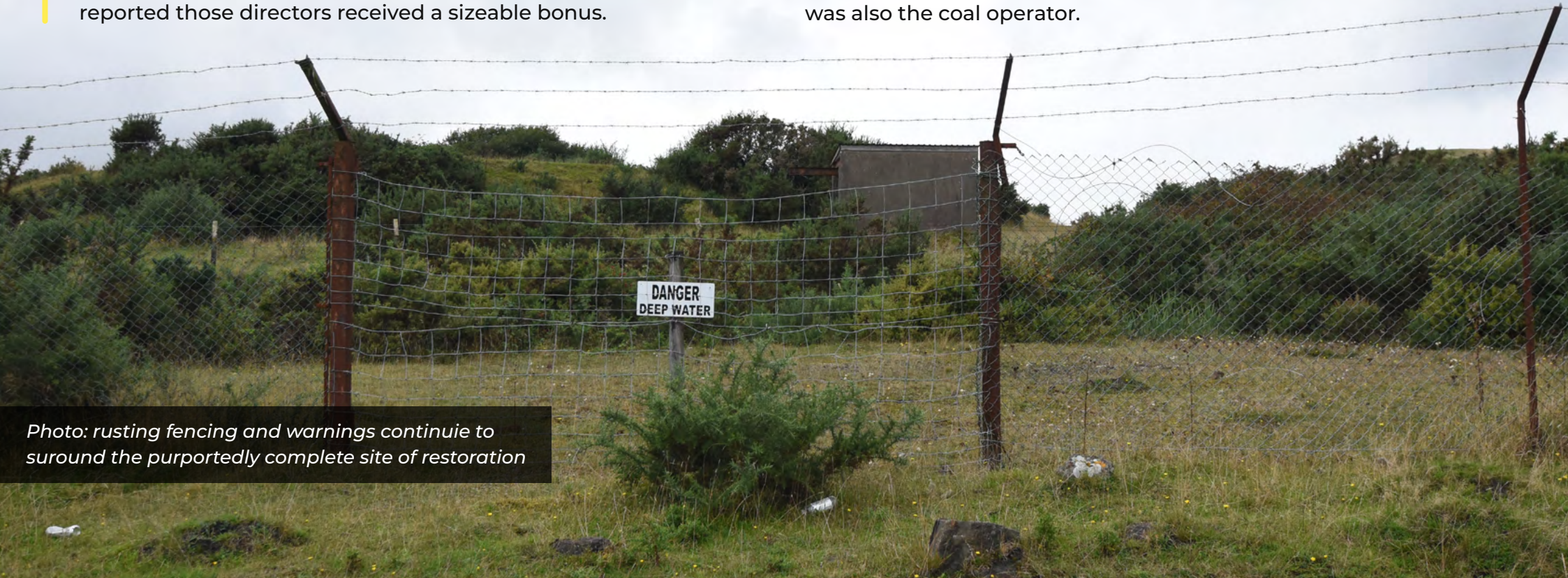


Photo: rusting fencing and warnings continue to surround the purportedly complete site of restoration

“ the only realistic option to securing any sort of acceptable restoration ”



Photo: East Pit restoration site, unmarked contents.

The Chief Executive of Celtic Energy Ltd wrote to the Council, indicating “This application offers the only realistic option to securing any sort of acceptable restoration at East Pit” and demanding that Celtic Energy Ltd be permitted to continue mining coal on land, then owned by Pine Regeneration (a subsidiary of the shell company, Oak Regeneration), up until 30th September 2018, and remove coal stocks up until 30th September 2019 to pay for it. Celtic Energy Ltd purportedly made a significant portion of its workforce redundant around this time, adding further pressure on the Council, signalling the company’s readiness to abandon the site (p15, application [P2012/1073](#)).

The Coal Authority supported the proposal, citing the need for “indigenous resources”.

Photo: East Pit restoration site, shipping containers and large metal objects apparently left behind



Money matters


Neath Port Talbot County Council had collected just £4 million in an Escrow account from Celtic Energy Ltd to put towards restoration by 2012. This represented a shortfall of over £3 million towards the cost of simply making the site safe with no restoration works, should Celtic Energy Ltd abandon the site—which appeared to be a likely outcome if the Council insisted on the 2004 restoration plan.

The Council's Planning Officer recommended that Counsellors approve the cheaper revised restoration plan (containing [399 separate application documents](#)) and permission was accordingly granted in June 2015, despite vocal local opposition and risks outlined in a 2012 Coal authority commissioned report by GroundSure. This report concluded there were potential environmental liabilities of further coal mining, including a high risk of subsidence (at least 1 residence in the vicinity experienced cracks in the walls) and very high risk of groundwater flooding. This report was superseded by a 2014 report by James Associates that Celtic Energy Ltd commissioned. The new report downgraded the associated environmental risks, making it acceptable in planning terms to approve.

Permission was granted with a [Section 106 agreement](#) (adds conditions to the planning permission) for Celtic Energy Ltd to pay £23 million into an Escrow account to fund restoration works (£580,000 of which is earmarked as 'contingency', ostensibly in case Celtic Energy Ltd abandon restoration works and another contractor is employed which would cost more). The final deposit



Photo: East Pit restoration site, the shell of a classic car is mysteriously in one container.



was due on 01 September 2017. If the restoration works costs less than this amount, the difference will be refunded to Celtic Energy Ltd. Additionally, the Section 106 agreement required Celtic Energy Ltd to pay £275,000 to the Council as “an additional community benefit contribution” and an additional “community benefit contribution” of £200,000 to be administered by the ‘Community Benefit Scheme’.

The minimum cost estimate of £22.4 million was provided by The Coal Authority in February 2015, entitled “East Pit Revised Surface Mine Lakes at Rhosaman. Restoration and Aftercare Liability Assessment”. That assessment also estimated the liability to the Council of simply making the site safe if Celtic Energy Ltd abandoned it to be £7.6 million.

Photo: coal stored in Bryn Bach Coal Ltd's washery.

Disclaimer

Efforts have been made to corroborate assertions and figures reported in good faith herein, but the authors acknowledge inaccuracies and errors may have been made; planning documents can be highly technical and companies operate opaquely. We welcome Councils and companies to get in touch to highlight evidence that improves the accuracy of this report.

Photo credit: we are grateful to the anonymous donor of photographs and site visit briefs featured in this report.

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