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UK Coal Industry Restructuring

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UK Coal Industry

- Largest mining company financially restructured in 2014
- Deep mine closure planned for 2015
- State made bridging loan on commercial terms
- Liabilities from mine closed by fire reverted back to the State on insolvency
- Further deep mine company currently seeking EU State Aid for closure

3.7 mt • Deep mining
7.9 mt • Surface mining
3,600 • Workforce
Privatisation Process

• **Background**
  
  • Decade of improvements – productivity doubled and 40% cost reduction
    – Remove volume targets (mt)
    – Set operating cost targets £/GJ
    – 60 pits closed
  
  • First operational profit 1990/91 – 57,000 men, 65 pits, 70mt
  
  • Electricity generators privatised in 1990
  
  • Annual contracts with generators falling from 65mt to 30mt
    – Dash for gas 30mtce
    – Nuclear
    – French connector
    – 47mt coal stock piles

• 1992 – 50,000 men and 50 pits

• Plan to close 27 pits and privatise the remaining
Privatisation Process

- Sale of operating mines
- Centre of excellence establish to manage physical liabilities
- Investment in regeneration
Role of the Coal Authority

- Centre of excellence to resolve the £1bn in-perpetuity physical impacts of coal mining
- Manage subsidence and safety issues
- Protect the environment
- Communicate risks to inform decision-making
- Licence and regulate the coal industry
  - take security for subsidence liabilities
- Manage some liabilities of failed companies
- £35 million costs per anum
7 million properties (25% of all) lie within coalfields.

1.5 million coalfield properties sit on shallow coal workings (<30m deep)

172,000 recorded mine entries. 130,000 properties lie within 20m of at least one mine entry.

Working relationships with 178 local authorities

100 discrete blocks of coal with 800 water monitoring points

Coal mining legacy affects the public, planners, developers and landowners
Importance of mining information

Density of mine entries in typical urban setting
From historic plans to digital data

- Detailed interpretation by mining surveyors
- Commercial licensing arrangements

- Over 4 million mining objects
- Dynamic data-sets, updated daily
Our open data

- Risk data supplied to local authorities for planning purposes
- Reports sold to property buying/selling market
Public Safety and Subsidence

Treatment of shaft collapses using in-house specialist engineers
Environmental Remediation

800 monitoring points measure rate of water rising in abandoned mines
Environmental Treatment

72 treatment schemes improve and protect over 350 km of watercourses

Prevent 4,000 tonnes of iron from entering watercourses

Major drinking water aquifers protected

Successful sewage/minewater co-treatment to remove phosphates

Developing new techniques to treat water
Cumbria