

S.73 APPLICATION TO VARY CONDITIONS 3 AND 4

ENVIRONMENTAL STATEMENT ADDENDUM

CHAPTER 21: SOCIO-ECONOMIC

**Ffos-y-Fran Land Reclamation Scheme, East of Merthyr Tydfil
CF48 4AE**

Merthyr (South Wales) Limited

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21.1.0 Introduction

S.73 Application Context

- 21.1.1 Planning permission for the operational surface coal mine at Ffos-y-Fran was originally granted under planning permission ref. A-PP 152-07-014 ('the original application'). The description of development was as follows:

"Application by Miller Argent (south Wales) Limited for the Ffos-y-Fran Land Reclamation Scheme, incorporating the extraction of coal by open cast methods, and being the final phase of the east Merthyr Reclamation Scheme."

- 21.1.2 The above permission was subsequently varied under a S.73 planning application (application ref. P/08/0316) which sought consent for:

"[The] Variation of condition 37 of planning permission A-PP 152-07-014 to permit the limited dispatch by road of up to 5% of the annual output of coal from the Ffos-y-Fran land reclamation scheme or a maximum of 50,000 tonnes of coal per annum (whichever is the lesser) via Cwmbargoed Disposal Point."

- 21.1.3 The application was refused by Merthyr Tydfil County Borough Council but the proposals were subsequently allowed at Appeal (Appeal ref. APP/U6925/A/10/2129921). The Appeal Decision was issued by an appointed Inspector on the 11th of March 2011 and contained a comprehensive list of updated conditions, thereby superseding the original planning permission for the site as detailed above (permission ref. A-PP 152-07-014).

- 21.1.4 The purpose of this S.73 application is to allow for an extension to the lifespan of the mine. As such, the application seeks to vary the following conditions as contained within Appeal ref. APP/U6925/A/10/2129921:

- **Condition 3** – "All coal extraction from the development hereby permitted shall cease no later than 06 September 2022"; and
- **Condition 4** – "Final restoration of the land shall be completed no later than 06 December 2024 and aftercare shall be undertaken for a period of not less than 5 years upon certification of completion of each phase of the progressive restoration scheme."

- 21.1.5 The S.73 application, as submitted, seeks to extend the lifespan of the minerals extraction by a further 9 months. As such, the timescales stipulated within the above conditions will be varied to match this extended life span for the mine. No alterations are proposed to the extraction area or working practices at the mine as previously consented.

Consideration of S.73 Application

- 21.1.6 The proposed S.73 application would extend the period during which the socio-economic effects of the FLRS would be experienced, but would not introduce any change to the impact of the FLRS on the local economy or community. In considering the nature and scale of any effects therefore, this chapter addresses whether there has been any significant change to the baseline conditions (receptors) in the period since the original permission was granted.

21.1.7 The following information was submitted in support of the original application (ref. A-PP 152-07-014) for minerals consent at the site:

- Chapter 22: Socio-Economic Factors – Environmental Statement (2003)

21.1.8 No information regarding socio-economic factors was submitted in support of the subsequent S.73 application (Appeal ref. APP/U6925/A/10/2129921) for the alternate haulage option at the site.

21.1.9 Similarly, no additional information has been submitted with regard to socio-economic factors in respect of discharge conditions at the site / in support of the ongoing mitigation and monitoring at the site.

Purpose and Structure of Chapter

21.1.10 This chapter of the Environmental Statement Addendum (ESA) considers the impact of the proposed material amendments on the planning policy and context of the area with regard to socio-economic factors comprising:

- the local economy;
- employment;
- the supply chain for energy generation;
- the contribution to national and local energy policy;
- government investment; and
- community benefit.

21.2.0 Methodology

21.2.1 The original ES did not attempt to identify the significance of effects in respect of socio-economic factors, nor did it indicate the sensitivity of receptors or quantify the magnitude of change. This is not unusual for socio-economic assessments of this date, not least as there are still no published standards in relation to socio-economic assessment. In the intervening period, custom and practice for undertaking such assessments has evolved to the extent where it is now standard practice to adopt an assessment methodology using the following structure to define 'significance':

- study area;
- sensitivity criteria;
- magnitude of change (impact); and
- significance of effect.

21.2.2 This section sets out a standard approach to assessment of socio-economic effects based on current practice, whilst noting that there is no basis for comparison with the original ES.

Changes in Legislation, Guidance and Planning Policy

21.2.3 There is no requirement to undertake socio-economic assessment, and no published guidance as to how such matters should be assessed.

Assessment Methodology

Study Area

21.2.4 The study area assessed is a local area based on a travel to work distance from the site (broadly assumed to be the local authority areas of Merthyr Tydfil and Caerphilly), and a wider study area for supply chain effects extending to South Wales and to Wales as a whole in respect of energy supply.

Sensitivity Criteria

21.2.5 As noted above, sensitivity criteria were not established for the 2003 assessment of socio-economic factors. Table 2-1 sets out a standard approach to identifying sensitivity.

Table 21-1: Sensitivity Criteria Sensitivity criteria

Sensitivity	Description
High	The receptor: has little or no capacity to absorb change without fundamentally altering its present character; or is of high socio-economic value ¹ ; or is of national or international importance; or is accorded priority in national policy; or

Sensitivity	Description
	has no alternatives with available capacity within its catchment area.
Medium	The receptor: has moderate capacity to absorb change without fundamentally altering its present character; or has a moderate socio-economic value; or is of regional importance; or is accorded priority in local policy; or has some alternatives with available capacity within its catchment area.
Low	The receptor: is tolerant of change without detriment to its character; or is of low socio-economic value; or is of local importance; or is accorded low priority in policy; or has a choice of alternatives with available capacity within its catchment area.
Negligible	The receptor is resistant to change and is of low socio-economic value or there is a wide choice of alternatives with available capacity within its catchment area.

Magnitude of Change (Impact)

21.2.6 Four levels of magnitude have been adopted using professional judgement and experience on similar projects: high; medium; low and negligible, as set out in Table 2-2.

Table 21-2: Magnitude of Change (Impact)

Receptor Group	High	Medium	Low	Negligible
WSA economy	An impact that would dominate over baseline economic conditions	An impact that would be expected to result in a moderate change to baseline economic conditions	An impact that would be expected to result in a perceptible difference from baseline economic conditions	An impact that would not be expected to result in a measurable variation from baseline economic conditions.
WSA labour market	An impact that would dominate over baseline labour market conditions and/or would affect a large proportion of the existing resident workforce.	An impact that would be expected to result in a moderate change to baseline labour market conditions and/or would affect a moderate proportion of the existing resident workforce.	An impact that would be expected to result in a perceptible difference from baseline labour market conditions and/or would affect a small proportion of the existing resident workforce.	An impact that would not be expected to result in a measurable variation from baseline labour market conditions.

Significance of Effect

Table 2.3 summarises how significance is assigned based on the above sensitivity criteria and magnitude of impact.

Table 21-3: Significance of Effect

Magnitude of Effect	Sensitivity of Receptor				
		High	Medium	Low	Negligible
	High	Substantial / Major	Substantial / Major	Moderate	Neutral / Negligible
	Medium	Substantial / Major	Moderate	Minor	Neutral / Negligible
	Low	Moderate	Minor	Minor	Neutral / Negligible
	Negligible	Neutral / Negligible	Neutral / Negligible	Neutral / Negligible	Neutral / Negligible

- 21.2.7 Effects that are adjudged to be substantial / major are considered to be significant. Effects that are adjudged to be moderate may be significant but other considerations may be taken into account including whether the effects are permanent or temporary, short term or long term.

Effects Not Requiring Further Assessment

- 21.2.8 There are no effects not requiring further assessment or consideration with regard to the original ES.

21.3.0 Changes in Baseline Conditions

Original ES Baseline

- 21.3.1 The original ES did not set out baseline conditions, or future baseline conditions, other than with regard to the existing supply chain for coal supply at Aberthaw power station, and current energy policy.

Original ES Future Baseline

- 21.3.2 No Future Baseline scenario was established within the original ES for Socio-Economic factors.

Current Baseline

- 21.3.3 The Current Baseline is principally formed by the ongoing minerals extraction operations.
- 21.3.4 As the original ES did not establish the sensitivity of baseline factors (receptors), sensitivity values are set out in Table 21-4 based on the criteria established in Table 21-1 for the socio-economic factors to be assessed.

Table 21-4: Sensitivity of Socio-Economic Receptors

Receptor	Sensitivity
Local Economy	Medium
Employment	Medium
Energy Supply Chain	Medium
Energy policy	Medium
Government investment	Low
Community benefit	medium

Changes in Baseline

- 21.3.5 Relevant changes in baseline conditions are included within the Assessment of Effects in Section 21.4.0 below.

21.4.0 Assessment of Effects

- 21.4.1 It is noted that the assessment of socio-economic factors contained in the original ES did not assign significance, and did not identify the sensitivity of receptors or magnitude of impact. In assessing the proposed change, this assessment takes account of the methodology set out in section 21.2.0 together with professional judgement.

Local Economy

- 21.4.2 The original ES briefly considered the contribution of the FLRS to the local economy in terms of business rates. This contribution would continue in line with standard valuation for such enterprises as a result of the S.73 application.
- 21.4.3 It is therefore considered that the continuation of operations proposed in the S.73 application is consistent with the original ES with regard to the direct contribution to the business rates, and therefore magnitude of change would be negligible and the level of effect not significant.

Employment

- 21.4.4 The original ES identifies the potential effect of the FLRS on both direct and indirect employment. Direct employment comprises staff employed within the opencast site and associated operations including the Cwmbargoed Disposal Point.
- 21.4.5 Whilst the quantum of the benefit to the local labour force from wages will have changed in line with inflation over the intervening period, the level of employment associated with the operations is expected to be similar over the extension period. The material change sought by the S.73 application would therefore continue to make a beneficial contribution to the local labour force.
- 21.4.6 The ES indicates that indirect employment would comprise sub-contract work undertaken by local firms, and indicates a multiplier of between 1.5 and 2.0 would represent the number of indirect jobs supported by the project. This is considered to be consistent with multiplier values for comparable industry noted in the UK government's standard guidance for assessing economic benefits, the HCA, 2014: Additionality Guide Fourth Edition².
- 21.4.7 Overall, it is considered that the continuation of operations proposed in the S.73 application is consistent with the original ES with regard to employment matters, and therefore magnitude of change would be negligible and the level of effect not significant.

Supply Chain

- 21.4.8 The original ES noted the contribution of the FLRS to indigenous power generation through its role in supplying Aberthaw Power Station. The original ES highlights the contribution of Aberthaw Power Station to South Wales' employment (244 employees and 65 contractors) and energy supply.
- 21.4.9 Aberthaw Power Station closed in 2020, and current production from Ffos-y-Fran is focused on supplying Port Talbot Steel Works, with minor quantities supplying the domestic market for steam powered engines and domestic use.

² Homes and Communities Agency, 2014: Additionality Guide Fourth Edition

- 21.4.10 The transfer of supply from Aberthaw to Port Talbot Steelworks is considered to be consistent with the assessment of benefit to regional jobs and energy generation. The Port Talbot Steelworks is a nationally-important employer for Wales and the UK as a whole, employing approximately 3,500 workers. In the absence of continuing supplies from Ffos-y-Fran, the steelworks at Port Talbot would have to increase reliance on overseas sources of coal with adverse impacts on carbon footprint and resilience of supply.
- 21.4.11 It is therefore considered that the continuation of operations proposed in the S.73 application is consistent with the original ES with regard to supply chain matters, and therefore magnitude of change would be negligible and the level of effect not significant.

Contribution to Energy Policy

- 21.4.12 Energy policy in Wales and the UK as a whole has evolved rapidly since 2003, and the contribution of coal supplies to electricity generation is no longer generally supported. However, there is still a requirement for coal to supply specific industrial users as noted above in respect of Port Talbot Steelworks.
- 21.4.13 Under the *Written Statement: The Steel Industry in Wales* (October 2019), it is stated that the Welsh Government has an “...ongoing commitment to fight to secure a sustainable future for the steel industry and to keep steel production and steel jobs [here] in Wales”. The written statement emphasised that “Steel is a strategically important industry that sits at the foundation of many supply chains” that is currently facing a variety of challenges, one of which being the increasing need for imported coal.
- 21.4.14 It is therefore considered that the continuation of operations proposed in the S.73 application is consistent with the general thrust of the original ES which concluded that Ffos-y-Fran made a positive contribution to energy policy, and therefore magnitude of change would be negligible and the level of effect not significant.

Government Investment

- 21.4.15 The original ES notes that the Ffos-y-Fran development would comprise Phase III of an ongoing reclamation project that had received considerable support from public funds over many years, and that the proposed scheme would allow repayment of some of this investment. Continuation of the project as proposed in the S.73 application would allow payments (made on a per tonne basis) to continue.
- 21.4.16 It is therefore considered that the continuation of operations proposed in the S.73 application is consistent with the original ES, and therefore magnitude of change would be negligible and the level of effect not significant.

Community Benefit

- 21.4.17 The original ES noted that the applicant intended to set up a community benefit trust, financed on a royalty basis per tonne of coal extracted. A Community Fund managed by Merthyr Tydfil County Borough Council was duly established and would continue to operate during the continuation of the project as proposed in the S.73 application.
- 21.4.18 It is therefore considered that the continuation of operations proposed in the S.73 application is

consistent with the original ES with regard to community benefit, and therefore magnitude of change would be negligible and the level of effect not significant.

21.5.0 Requirement for Additional Mitigation or Monitoring

Original ES Mitigation

- 21.5.1 With the exception of holding Community Liaison meetings, no mitigation or monitoring for Socio-Economic factors were identified within the original ES.

Subsequent Mitigation or Monitoring

- 21.5.2 No additional mitigation or monitoring has been established for Socio-Economic factors subsequent to the original ES.

Alternate or Additional Mitigation and Monitoring

- 21.5.3 The assessment of the proposed material change does not require any mitigation or monitoring.

21.6.0 Residual Effects

- 21.6.1 The proposed material change would result in effects that are assessed to be beneficial (not significant) with no change to the original ES.

21.7.0 Other Environmental Issues

21.7.1 This Section seeks to detail any considerations and environmental effects which have been identified with regard to the range of topics which have been introduced into EIA requirements through the EIA Regulations 2017. Where there are no such considerations or environmental effects, this is also specified below for clarity.

21.7.2 Please see Chapter 22 for a summary of the 'Other Environmental Issues' identified across all of the technical assessments undertaken and the Chapters prepared as part of the ES.

Other Environmental Issues of Relevance

21.7.3 Scope out ones that are not of relevance to your topic (do not delete heading)

Infrastructure

21.7.4 This issue is not relevant to the assessment of socio-economic factors.

Waste

21.7.5 This issue is not relevant to the assessment of socio-economic factors.

Population and Human Health

21.7.6 Population and human health is positively impacted by socio-economic factors such as employment and community wealth creation. This is recognised in by Welsh Government, for example through the Well-being of Future Generations (Wales) Act 2015 which promotes the development of a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.

21.7.7 It is considered that the continuation of socio-economic benefits resulting from the proposed extension to Ffos-y-Fran would continue to result in a beneficial effect on population and human health.

Climate and Carbon Balance

21.7.8 This issue is not relevant to the assessment of socio-economic factors.

Risks of Major Accidents and/or Disasters

21.7.9 This issue is not relevant to the assessment of socio-economic factors.

Summary

21.7.10 As the inter-relationship between socio-economic factors and population and human health is positive (beneficial) there is no requirement for mitigation and the cumulative effect is beneficial.

21.8.0 Summary of Effects

21.8.1 An assessment of effects on the following socio-economic factors has been undertaken in respect of the proposed S.73 application:

- the local economy
- employment
- the supply chain for energy generation
- the contribution to national and local energy policy
- government investment
- community benefit.

21.8.2 Whilst the original ES did not consider the significance of effects, it concluded that effects would be beneficial. The assessment has concluded that as there would be no change to the magnitude of impact, there would be no change to the level of beneficial effect assessed in respect of the original development or the subsequent S.73 permission due to the proposed extension.

21.9.0 Conclusions

- 21.9.1 The assessment undertaken for the original development in 2003 concluded that there would be a beneficial effect on socio-economic factors such as employment. This assessment has confirmed that there would be no change to this beneficial effect in respect of the proposed extension.

REFERENCES

Homes and Communities Agency, 2014: Additionality Guide Fourth Edition

Well-being of Future Generations (Wales) Act 2015

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