



## Industry news : February 2006

- [Quarry companies seek repayment of Aggregates Levy](#)
- [UK Coal reports losses of £62.2m in 2005](#)
- [Energy debate moves to Scotland](#)
- [UK government proposes new development tax](#)
- [Opencast health fears](#)
- [Gold exploration in Northern Ireland](#)
- [North Yorkshire gas discovery](#)
- [Anglesey quarry extension granted](#)
- [Last minute reprieve for Harworth Colliery](#)
- [Last South Wales coal mine facing closure](#)
- [BGS releases World Mineral Production 2000-04](#)

### Quarry companies seek repayment of Aggregates Levy



Aggregates production in UK  
*Photo Copyright: BGS©NERC*

As a result of recent legal advice British Aggregate Association members are planning to ask for reimbursement of the Aggregates Levy payments, which they have made over the last three years. This move follows a European Court hearing in December 2005, in which the Association appealed “on the grounds that the EU Commission’s May 2002 decision to grant levy state aid approval was unsafe.” The British Aggregates Association is the representative trade body for independent quarry operators representing 70 companies producing from over 100 sites. They argue that the Levy has failed to provide “any tangible environmental gain” and the use of primary aggregates has not been reduced by the Levy. The Aggregates Levy raises approximately £300m per year, £35m of which is channelled into the Aggregates Levy Sustainability Fund (ALSF) in the UK (£29.3m in England).

DEFRA (Department for Environment Food and Rural Affairs) states that the Levy has the following key objectives:

1. Minimising the demand for primary aggregates
2. Promoting environmentally friendly extraction and transport
3. Addressing the environmental impacts of past aggregates extraction
4. Compensating local communities for the impacts of aggregates extraction.

Sources: <http://www.british-aggregates.com/news/press.html>

<http://www.defra.gov.uk/funding/schemes/alsf.htm>

### **UK Coal reports losses of £62.2m in 2005**



Harworth Colliery, Nottinghamshire  
*Photo Copyright: BGS©NERC*

UK Coal, Britain's largest coal producer has announced losses of £62.2m for 2005, this is almost double those suffered in 2004. UK Coal, which owns the former assets of British Coal supplies around 10% of the country's energy needs for electricity generation. Market prices for coal have been increasing; therefore UK Coal's income has also risen over the last year. In the announcement UK Coal indicated that market conditions have remained strong and the company has focused on reorganising deep mines and improving productivity. With the current government energy review, due for completion this summer, UK Coal is counting on the importance of domestic coal production being highlighted.

Source: [http://miranda.hemscott.com/ir/ukc/pdf/press/2006\\_03\\_02\\_PrelimAnnouncement.pdf](http://miranda.hemscott.com/ir/ukc/pdf/press/2006_03_02_PrelimAnnouncement.pdf)

### **Energy debate moves to Scotland**



UK coal fired power station  
*Photo Copyright: BGS©NERC*

The Government is currently undertaking a review of Britain's future energy needs. The Prime Minister suggests the review should consider the option of building additional nuclear power plants to replace Britain's ageing nuclear power stations. The main opposition to the nuclear power is the issue of disposing of nuclear waste. The UK Government is responsible for the UK's strategic energy needs, while the Scottish Parliament has control over planning consent, which controls the building of new installations, including power stations. One of the Scottish coalition parties has argued that renewable energy is a viable alternative for Scotland. A recent poll indicates strong support for renewable energy sources in Scotland; however, many people do not believe these are capable of fulfilling Scotland's energy demands.

Source: <http://news.bbc.co.uk/1/hi/scotland/4776270.stm>

### **UK government proposes new development tax**

The UK government has proposed a new tax aimed at the profits made by landowners selling sites for development. The proposed tax known as a Planning Gain Supplement (PGS) has sparked concern amongst the quarrying community, due to its potential effect on mineral workings. The Quarry Products Association (QPA) believe that, due to the unique way in which land values change during the life of a mineral working, it is not appropriate to link mineral operations with residentially developed land. When planning permission is granted for mineral extraction the land value generally increases. This, however, is considerably less than for other types of development. In addition the QPA argues:

- As minerals are removed from a site, the value of the land declines
- Mineral workings are a temporary form of land use, unlike most other developments
- The revenue generated by mineral extraction is spread over many years; therefore it is not possible for operators to pay a tax at the start of development
- Mineral workings are generally restored to beneficial uses following extraction

Sources: <http://www.planningportal.gov.uk/england/professionals/en/1115313894505.html>

[http://www.qpa.org/new\\_lat.htm](http://www.qpa.org/new_lat.htm)

### **Opencast health fears**



UK opencast coal operation.  
*Photo Copyright: BGS©NERC*

A Health Impact Assessment (HIA) on the proposed extension to Margam opencast coal mine, near Port Talbot in south Wales, has stated that the operation is having a major impact

on local residents. The company planned to extract 2.4 million tonnes of coal from the new site at an increased rate of 8000 tonnes per week. The report concluded “the likely negative impacts on health and wellbeing of an extension to the Margam Opencast site are far in excess of positive health impacts.” In addition the report cites “loss of amenity, visual impact, nuisance dust, noise and pollution are strong arguments against further opencasting close to this community.” The report notes that the local community has been exposed to opencast mining for over 50 years and it believed that opencasting would cease when the present site was exhausted. Celtic Energy, the owners of the site, have not yet responded to the decision.

Source: <http://www.wales.nhs.uk/sites3/docmetadata.cfm?orgid=522&id=52256>

### **Gold exploration in Northern Ireland**



Gold grains

*Photo Copyright: BGS©NERC*

Galantas Gold Corporation, who are building Ireland's first gold mine in County Tyrone, Northern Ireland, has started an exploration programme aimed at expanding reserves and resources on its Omagh property. The work commenced with extensive overburden stripping and channel sampling. Initial characterisation sampling has returned grades of over 30 grams per tonne gold over 0.92 metres. Galantas also plan to follow-up and test a number of coincident geochemical and geophysical anomalies in close proximity to the mine site.

Source: <http://www.galantas.com/>

### **North Yorkshire gas discovery**

Egdon Resources, the onshore UK focused energy company has encountered gas during drilling at its Westerdale-1 license on the North York Moors. The 1300 metre deep well encountered gas within the Permian age Brotherton carbonate and Carboniferous sandstones. Future work will focus on these two intervals of interest and on establishing the commercial viability of the site. It has already been highlighted that, even if commercial concentrations of gas were discovered at Westerdale, its location within a National Park would make commercial exploitation difficult.

Sources: <http://www.egdon-resources.com/>

<http://www.yorkshiredaily.co.uk/ViewArticle2.aspx?SectionID=55&ArticleID=1365457>

## Anglesey quarry extension granted



UK limestone quarry  
*Photo Copyright: BGS©NERC*

Plans to expand a Welsh limestone quarry have been recommended to go ahead, despite considerable local opposition. Rhuddlan Bach quarry on Anglesey is next to the Cors Goch nature reserve near Benllech. Opponents are concerned over the affect the development will have on the wetland reserve. The company will be required to operate under special conditions because of the sensitive nature of the area. The company has commented that they are “fully committed” to complying with the conditions attached to the permission in order to monitor and safeguard the environment. Supporters of the development have highlighted the importance of the quarry as a local employer.

Source: [http://news.bbc.co.uk/1/hi/wales/north\\_west/4666780.stm](http://news.bbc.co.uk/1/hi/wales/north_west/4666780.stm)

## Last minute reprieve for Harworth Colliery



Headgear at a disused UK coal mine  
*Photo Copyright: BGS©NERC*

Plans to save the endangered Harworth Colliery, near Doncaster, from closure have been revealed. UK Coal announced in July 2005 that it planned to mothball the colliery, one of its remaining seven deep underground coal mines. Miners have managed to prevent the closure by agreeing to a combined redundancy and improved productivity deal with UK Coal. This will involve cutting 70 of the 300 jobs at the mine, with the remainder of the workforce working longer shifts. Included in the plan for Harworth is the development of a new coalface to exploit an additional 1.5 million tonnes of coal. The mothballing of Rossington Colliery in Yorkshire is still expected to proceed next month because this operation is affected by additional geological problems.

Source: <http://business.guardian.co.uk/story/0,,1721194,00.html>

### **Last South Wales coal mine facing closure**

Tower Colliery near Hirwaun is facing closure within the next three years due to exhaustion of reserves. British Coal closed the operation in April 1994 but the mining workforce took ownership of the colliery and reopened it in 1995. The operation has remained profitable. However, the impending closure may not mark the end of coal mining in South Wales because the owners are already looking at the possibility of relocating to a small mine near Glynneath.

Sources: [http://www.bbc.co.uk/wales/historyhunters/locations/pages/3\\_2\\_tower.shtml](http://www.bbc.co.uk/wales/historyhunters/locations/pages/3_2_tower.shtml)

<http://news.bbc.co.uk/1/hi/wales/4653710.stm>

### **BGS releases World Mineral Production 2000–04**

The British Geological Survey (BGS) has released the latest publication in its World Mineral Statistics series, "World Mineral Production 2000-04". This publication includes five-year tables of production, by country, for the majority of economically important mineral commodities, including ferrous and non-ferrous metals, industrial minerals and hydrocarbons. World Mineral Production 2000-04 is available for free download from [www.mineralsuk.com](http://www.mineralsuk.com).

Source: <http://www.bgs.ac.uk/mineralsuk/statistics/world/home.html>