

Kellingley Colliery

9 December 2015

7.15 pm

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): Thank you, Mr Speaker, for granting this Adjournment debate.

In just a few days' time, Kellingley colliery will close. It is Britain's last working pit. A hundred years ago, over 1 million men worked in the coal industry, and now the last 450 men are set to work their final shift. The coal that they cut through generations powered the industrial revolution, stoked the trains, lit the furnaces, and kept the home fires burning. In our area alone, Fryston, Glashoughton, Wheldale, Allerton Bywater, Sharlston, Prince of Wales and Selby were all once proud pits, now gone. Kellingley stands just inside the constituency of the hon. Member for Selby and Ainsty (Nigel Adams), who is here tonight too.

I represent Knottingley, the town that always supported Kellingley, and grew in the '60s when Kellingley grew. Kellingley club is still in the heart of the town. In our area, most people have coal in their blood—family who worked in the local pits or further afield. I am the granddaughter of a miner, and my predecessors, Geoff Lofthouse, Bill O'Brien and Joe Harper, all worked in the pits. It is skilled work and tough work, and some gave their lives and others their health. The solidarity that they forged underground is the solidarity that has underpinned our communities too. That is why it is a sad day for us, because people who have worked together, lived together, marched together, been on strike together, and stood together through thick or thin are now watching the last pit close.

We have fought for two years to try to keep Kellingley open. We sought alternative investors. We campaigned for the EU state aid that could have opened new faces and accessed new and rich reserves, and yet the Government deliberately dragged their feet, pushed costs up, and let us down. Closing Kellingley will not cut Britain's carbon emissions; all it will do is make us more dependent on imported coal. We campaigned too for clean coal technology—carbon capture and storage at Drax—that could have not just supported Kellingley but security of supply here in Britain. It had the potential to cut carbon emissions, to be a great export all over the world, and to cut energy bills here at home, and yet the Government have pulled the plug. Ferrybridge, just down the road, also in my constituency, is set to close in a few months' time, again years before it needs to, so we will lose more skilled jobs. Experts are raising concern that that capacity has been cut so far that it is likely, in the short term, to be filled instead by smaller diesel energy plants, which are far dirtier than the big power stations that they replace.

However, my main purpose in securing this Adjournment debate was not to talk about the huge incoherence of the Government's energy policy, but to focus particularly on support for the Kellingley miners. These are the men who have kept the coal industry going until the very end— younger men who started as apprentices just a few years ago, but also many older men who worked in the coal industry for decades. While every other pit closed, they kept going—kept working, kept digging deeper, kept cutting coal. When Kellingley nearly went under, they pulled out all the stops and increased production. When we were fighting to keep Kellingley open, they were ready and willing to do a deal whereby the workforce took over the pit, putting their own money at risk in order to keep it open. When UK Coal nearly went bust, they were ready to accept changes to their

pensions and working arrangements just to keep the pit open.

Think what would have happened if the miners had not done that. If they had walked away, as many were tempted to do, UK Coal would have gone bust, the Government would have lost the millions in tax that UK Coal owed, and, more importantly, the Government would have been landed with the bill for closing Kellingley pit—tens of millions of pounds of extra money that they would have had to fork out. It is the miners at Kellingley who have saved the Government from having to pick up the cost of closure and who have kept UK Coal going long enough for it to be able to pay off its bills and the taxes it owed. What have they got in return? Statutory redundancy—is that it?

At the end of decades of keeping our lights on, powering our factories and fuelling the nation, they have got the worst deal of any of the hundreds of thousands of miners who have left the industry over many decades. Frankly, these miners have been betrayed and let down by UK Coal and the Government.

At least the Kellingley miners who left in July got severance pay in lieu of notice—they got 12 weeks of average pay—but, as of today, UK Coal has not even said that it will guarantee the remaining workforce that severance pay. Miners have told me that they have been told that they will probably get it, but it all depends on whether they complete the final phase of work or whether the board decides on Thursday that they can have it. They have no certainty, just threats hanging over them to work even harder as the end draws near.

Ian Lavery (Wansbeck) (Lab): I have been contacted by a member of the National Union of Mineworkers who works at Kellingley and has already lost plenty of their pension. When their father, who worked at Kellingley colliery, left the industry 27 years ago, he got three times more than what is on offer for the people who are leaving the industry now. Surely that cannot be the case and surely we need some sort of intervention to make sure that these people get justice.

Yvette Cooper: My hon. Friend is exactly right. I have also been contacted by constituents. One man who has worked in the coal industry at Kellingley for 29 years told me that his dad, who left in 1988, got three times as much as he will get in redundancy pay. These miners will get only statutory redundancy pay, rather than the enhanced redundancy deal that even Margaret Thatcher and Michael Heseltine made sure that miners got when they left the coal industry. Such a deal is recognition not only of the difficult job they do, but of how skilled it is and how hard it is for them to find similar skilled work in our communities.

Mr Dennis Skinner (Bolsover) (Lab): It is even worse than that, because less than two years ago the coalition Government took £700 million out of the miners' pension scheme. All they wanted was about £30 million or £40 million. They could have kept the pit going until all the reserves had been worked out.

Yvette Cooper: My hon. Friend is right. There is long-standing and deep concern about the miners' pension scheme. The guarantee may have looked sensible many decades ago, but if we consider how it has played out, we will see that it is deeply unfair to so many miners across our communities. Pensions and redundancy and severance pay are all issues, as is concessionary coal. Miners who are just short of their 50th birthday will lose out, and if others get a job that involves working more than 25 hours a week—even if it is temporary work—they will end up losing their concessionary coal for good. That is no use, because it is a disincentive for them to get another job.

The concessionary coal deal, as well as redundancy and severance pay, should be revisited. The Government should work with UK Coal on getting a fairer deal for miners who have worked for Kellingley and the coal industry for so long.

Kellingley has not been given the same sorts of training opportunities that Selby got when it closed. Miners need more skills training, retraining courses and support to be able to get new jobs in an area where skilled work is still too scarce. Support also has to be made available for our communities, because the pit has been at the heart of the community for so long. Kellingley club is now at risk, and the communities that depend on the coal industry are also being undermined by the last pit closure. I ask the Minister to look seriously at what more support can be given to the Kellingley miners. They have worked so hard to save the Government money, to support UK Coal and Kellingley, and to keep the pit open, but they feel that all they are getting in return is a kick in the teeth.

When Margaret Thatcher closed the pits in the 1980s on a massive scale, even she made sure that the miners got full redundancy pay and pensions. When Michael Heseltine closed pits in the 1990s, he made sure that miners got full redundancy pay and pensions. When the Prince of Wales and Selby pits closed under the Labour Government, we made sure that the miners got not just redundancy pay and pension support, but retraining, the coalfield regeneration taskforce and support for communities as well.

What miners are getting now under this Tory Government is the worse deal of all, so I urge the Minister to look at it again—not to blame this on the market or on UK Coal, but for the Government and UK Coal together to provide the miners, who have worked so hard and helped both UK Coal and the Government, with the support and the recognition that they deserve. Another of my constituents contacted me to say that the miners give so much and take so many risks, as do their families, who would watch them go to work each day. Let us make sure that, as the miners walk out of their last shift, as they leave Kellingley for the last time, we show them the respect that they need.

I and many of my colleagues still feel that this is deeply sad. We deeply regret that we are watching the last pit close long before we need to, even though we could have clean coal technology and support both the coal industry and security of supply. We could cut our carbon emissions too. But if that pit is to close before Christmas, in the next few days, let us at least do everything we can to get those miners some justice and the respect that they deserve.

Nigel Adams (Selby and Ainsty) (Con): I am grateful to the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) for bringing this Adjournment debate today. Kellingley colliery, as she says, is the last deep coalmine in the country and 18 December will be an incredibly sad day. Production began in 1965 and at its peak, I understand, 2,000 men and women were employed there at any one time. It was a significant employer in my constituency and the local area.

Many of those miners relocated from Scotland to work at the colliery, having lost their jobs at Scottish pits in the 1960s. Three members of my own family worked at Kellingley, which is affectionately known, as the right hon. Lady knows, as the Big K. My uncle Ray worked there for 39 years. He told me earlier today that he started as a dogsbody, worked himself up and ended up just before his retirement as an under-manager. He was incredibly proud of Kellingley, as were all

the people who worked there. He told me earlier today on the phone that he thought it was the best pit in the country.

Mining communities are close communities. I remember my brother's wedding reception at the Kellingley miners welfare club in 1981. I was not old enough to go in and have a drink, sadly, but it was a great time. I recall my family spending many a Saturday at the miners welfare club at Kellingley, enjoying the friendship and camaraderie of the mining community.

I well remember the 1984 strike. As a youngster I used to drive past the colliery gates on my motorcycle. I had uncles and cousins involved in the strike on both sides of the dispute. Miners from Kellingley took part in the 1984 strike, but it is worth pointing out that there were a higher number opposed to that action than there were at most other pits across Yorkshire. It was a highly divisive strike and one that, in my view, lacked legitimacy because of the lack of a ballot.

Kellingley's current largest customer, Drax power station, is also in my constituency. It has been a longstanding customer of Kellingley, and the mine's closure will mark the end of the latest seven-year contractual agreement between the two parties. I made a phone call to the management at Drax so I know that its management would have supported the management deal, had that come off, to continue supplying coal. I know how appreciative Drax is of the efforts of the workforce to continue to deliver coal to the power station, which must be commended for continuing to source coal from Kellingley even though it could have sourced coal at a lower price in world markets.

The European Union's industrial emissions directive comes into effect on 1 January 2016. This imposes stricter emission limits on sulphur dioxide, nitrous oxide and particulates emitted by power stations in the UK. To be fully IED-compliant, Drax has no choice but to avoid using higher-NOx coal, such as that sourced from Kellingley colliery, after the end of this month. Regrettably, in these circumstances, there is no scope for Drax to take any additional deliveries above and beyond the volumes already agreed. It is essential that the company's stockpile of coal on 1 January is compliant with the stricter emissions limits imposed by the EU under the IED.

It is now crucial that the 450 staff find alternative employment. I want briefly to praise the work of Jobcentre Plus. Its team need to be recognised for the effort they have put in during the past year, since the closure was announced. Last week, they were on site hosting an employers forum, similar to a jobs fair that I hosted in October, which was well attended by local employers seeking staff. Several leads from my jobs fair have been fed into Jobcentre Plus for follow-up. I have helped workers at Kellingley to get alternative employment, and I am very keen that that should continue as we move towards the closure. The team have another on-site event in October, and they were there in June and July as well. They provide help with writing CVs and training advice regarding grants and courses. The one thing we do not yet know is how many miners have secured jobs; such information might put their redundancy pay-offs at risk, so I understand the sensitivities about that.

I want briefly to mention the environmental concerns about tipping, especially at the Womersley site, which has been an ongoing issue for residents and, in particular, for the local parish council.

Ian Lavery: The hon. Gentleman is basically trying to say that coal is dead and finished. At a time when this Government are allowing the closure of the last deep mine and putting 450 people on the dole in his constituency, we as a country and as a nation are still importing more than 40 million tonnes of coal. What is this all about?

Nigel Adams: The hon. Gentleman should probably read some of my speeches about coal. I do not think coal should be dead. It is an outrage that we are tossing coal aside in favour of intermittent wind and solar. We cannot rely on them, but we can rely on coal. I have a long-standing passion for coal. However, we must remember that world markets mean people can import coal from around the world much more cheaply than we can mine it ourselves, which is a tragedy in itself. I have always supported coal, as I am sure he appreciates.

The mine closes on 18 December, but the tipping at the Womersley site will continue until May, because of the stockpile currently at the pithead. It may just be because it is winter and the roads are wet, but there have been many complaints about the slipperiness of the roads due to slurry wash from the vehicles. That matter has been taken up with the local highways department. At the moment, tipping is more intense than previously, which is a sign of the drive to get as much coal out of the ground as possible. There is also a suspicion that the Womersley tip site is over the planning limit on height contours, but there is no clarity about that and, in any case, enforcement can be ineffective.

The planning application to extend the tip site was withdrawn, because UK Coal considered that the previously permitted use of the tip site was sufficient. However, it is crucial that UK Coal and its sister company Harworth Estates have strict environmental obligations after the closure. The present planning permission does not detail the restoration of the site—that was to have been a condition, through a bond, in the new permit—so it is easy to see why the planning application was not pushed through by UK Coal.

The adjacent and nationally renowned diving centre, the Blue Lagoon, is now a stinking black pond due to polluted run-off from the UK Coal tip. A plan agreed between the Environment Agency and UK Coal has achieved nothing. The toe drain is still incomplete, and many of the sections already completed are full of silt or have a damaged liner and are therefore ineffective. The owner of the site of the Blue Lagoon, Martin Ainsworth, is suffering severe stress and struggling to run his business. After tipping is complete, the mineral content will continue to leach from the tip for many years to come. I urge the Minister to ensure that UK Coal and Harworth Estates take their environmental responsibilities seriously and ensure that restoration is completed fully.

Finally, let me refer to redundancy and compensation, which the right hon. Member for Normanton, Pontefract and Castleford rightly mentioned. I understand that in the past couple of years the Government have put in almost £20 million to UK Coal. I had a meeting with the Minister for Small Business, Industry and Enterprise to discuss compensation and retraining packages, and she has promised to look carefully into that crucial issue. I see little distinction between coal miners from Kellingley colliery and steelworkers. I know that the steelworkers were thrown out of work rather quickly, but we must look after these people. Part of the £20 million was to ensure that staff received proper compensation, and I hope the Minister will ensure that that happens.

The Minister of State, Department of Energy and Climate Change (Andrea Leadsom): I congratulate the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) on securing this debate. I also recognise the long efforts of my hon. Friend the Member for Selby and Ainsty (Nigel Adams) in representing the interests of the Kellingley mine, as well as those of my hon. Friend the Member for Brigg and Goole (Andrew Percy), whose constituents have formed part of the Kellingley workforce for many years. On behalf of myself and the Government, I

acknowledge the enormous contribution to UK energy security made over many decades by the UK Coal miners. At both Kellingley and Thoresby, which completed its mining operations in July this year, they have shown professionalism and commitment over many decades, as well as a determination to ensure the safe delivery of UK Coal's managed closure plan.

Let me outline the support that both this Government and the previous Government have provided to UK Coal. Due to geological and performance issues at Kellingley, and a deterioration in global coal prices, UK Coal approached the Government in January 2014, seeking financial support to help it to deliver a managed closure plan. That original plan envisaged Kellingley and Thoresby closing in autumn 2014 and autumn 2015 respectively.

The right hon. Member for Normanton, Pontefract and Castleford has been critical of the Government, alleging that we prevented UK Coal from applying for state aid, but that simply is not true. On the contrary, we have been very supportive of the company throughout its difficulties. At the time of the original approach we were told that the company could last only "a matter of weeks" without an offer of support. The most pressing issue, therefore, was to provide financial support by the quickest means possible, and to deal with the immediate threat to the company and secure its short term future. The state aid route was judged to be longer and riskier, which left a commercial solution as the best option. Structuring the solution in a commercial manner also had the benefit of not tying the company to a fixed closure date—something that a state aid solution would have done. Instead it would give the company flexibility and time to seek additional investment to extend the life of the mines.

Yvette Cooper: The fixed date that the Minister mentions under the EU state aid rules would have been 2018, which is in three years' time. That was not a reason not to go down the EU state aid route. The deal she mentions that was supposedly the quickest route to go down took more than six months to resolve. The briefing that she has received from her civil servants does not seem to stack up.

Andrea Leadsom: The view was that it was a matter of only a few short weeks, and at that time it was considered that a state aid route would take too long and not work within the time frame needed.

In April 2014, the Government agreed in principle to provide the company with financial support. In delivering on that commitment there were many twists along the way, including a failed sales process by the company and the withdrawal of an offer of support from a mining competitor. That process concluded with the Government providing a total of £6.5 million of loan funding in September 2014.

By supporting the company's managed closure plan, we aimed to mitigate the worst impacts of closure on the workers, local communities and the supply chain. Without that support, UK Coal would have failed earlier in 2014 with the immediate loss of more than 1,900 jobs. UK Coal did subsequently present a state aid proposal in January 2015 to the Government. That sought state aid support of £338 million to prolong the working life of the mines by three years through to 2018. It is worth reminding the House that state aid approval represents the European Commission's permission for the Government to spend UK taxpayers' money, and consequently it has to be affordable and represent value for money. The state aid request did not pass the value-for-money

hurdle, but we have continued to support the company.

Mr Skinner: There is another figure that the Minister is failing to mention. She is trying to argue that this Conservative Government have tried to save the pit. In truth, since 1984, 170 pits have closed, including Kellingley, and fewer than 10 of them were closed during the 13 years of the Labour Government. I think that tells a story: the Tories like closing pits.

Andrea Leadsom: As I said, the Government sought to support the managed closure of the pit. Following weak coal sales last winter and a deterioration in world coal prices, UK Coal approached the Government again in February 2015 requesting additional funding to keep its closure plan on track. As a result, the Government committed in March 2015 to providing up to a further £10 million of financial support and the provision of concessionary coal entitlements for eligible miners, estimated at £18 million, subject to state aid approval.

The Government, as a further commitment to the miners, also agreed to the deferral of all repayments on the previous loans until after the miners had received their redundancy and other contractual entitlements at both Thoresby and Kellingley.

Yvette Cooper *rose—*

Andrea Leadsom: I am sorry, but the right hon. Lady will appreciate that I want to respond—

Yvette Cooper: What about enhanced redundancy terms?

Andrea Leadsom: There have not been enhanced redundancy terms since 2012, as she will be aware.

The funding requirement was £10 million, but we were aware of the riskiness of the mining industry, which could have seen this requirement increase. Ensuring the company had sufficient funding to pay the miners' contractual rights was our key priority. We applied for and received permission to provide up to £20 million specifically for statutory redundancy and contractual notice pay, with £10 million to be available as a contingency in case of need.

Following state aid approval, £10 million was injected into UK Coal in August 2015. The right hon. Lady was concerned that the Kellingley miners were at risk of not receiving the same package as that received by the Thoresby miners. I would like to emphasise to her that, thanks to the excellent work of the miners and the £10 million cash injection, UK Coal has enough cash to pay the Kellingley miners being made redundant this month with the same severance package as the Thoresby miners received.

I would like to turn briefly to the non-financial support provided to the affected miners both at Thoresby and Kellingley. One of the many benefits of having a managed closure, rather than one which is sudden and unplanned, is that it gives the time to develop a joined-up approach between Government and UK Coal. Department for Work and Pensions representatives have been proactively working with Kellingley for several months to provide a fully joined-up service. Several drop-in support sessions have been hosted, most recently last week, enabling the DWP to bring together local employers with vacancies, local colleges offering training and qualifications, financial advisers and local district council business advice teams offering support on business start-ups. On the back of those sessions, more than 140 training applications have been received for

vocational training, such as HGV training, occupancy health and safety, fibre optics, forklift truck operations and copper cabling maintenance and installation.

In conclusion, the successful delivery of the closure plan at Kellingley has been made possible because of the hard work of the men, Government support and the favourable fixed-price contract UK Coal has had with the power companies, as my hon. Friend the Member for Selby and Ainsty pointed out. That has enabled the company to be cash generative and have sufficient money to pay all employee entitlements. I acknowledge, however, that the closure of the Kellingley mine, being the last deep operational coalmine in the UK, represents the end of a long and proud era for the UK's coalmining industry.

I would like to finish as I started by reiterating my gratitude and that of the Government to all those who have served at Kellingley and elsewhere in the mining industry over the years. It has been a difficult job in a hostile and trying environment, and they can be proud of the part they played in heating and lighting our homes and powering our businesses and economy. Their professionalism and good humour in carrying out their job should be acknowledged by this House.

Question put and agreed to.

7.44 pm