PREM 19/1015

The Government evidence on energy requirements to the Public Inquiry on Coal mining in the Vale of Belvoir

ENERGY

July 1979

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
~~8.7.79~~		~~1.2.82~~					
~~30.7.79~~		15.2.82					
		~~8.3.82~~					
~~12.11.80~~		~~5.3.82~~					
~~19.7.81~~		~~19.3.82~~					
~~1.9.81~~		~~24.3.82~~					
~~11.9.81~~		~~25.3.82~~					
~~17.9.81~~		~~31.3.82~~					
~~29.9.81~~		~~1.3.83~~					
~~8.1.82~~							
~~14.1.82~~		4.3.83					

PREM 19/1015

TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
CC(82) 12th Meeting, item 1	25/03/1982
E(DL)(82) 2nd Meeting, only item	25/03/1982

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate **CAB** (CABINET OFFICE) CLASSES

Signed J. Gray Date 27/3/2013

PREM Records Team

Confidential

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH

From the Minister

(2)

Prime Minister

Now overtaken by events.

MCS 7/3

The Rt Hon Tom King MP
Secretary of State for the Environment
2 Marsham Street
London
SW1

4 March 1983

ASFORDBY

When you telephoned me over the weekend about the planning application for a new mine at Asfordby, I agreed to look urgently into the implications of the interim report which has very recently been produced by the North East Leicestershire Coalfield Remote Disposal Working Party.

I have now had an opportunity to look at the report in greater detail and I must say I am impressed by its thorough and realistic approach. The Working Party considered a large number of potential sites in some 14 different areas, taking into particular account their accessibility, availability, capacity, competing uses, environmental impact and acceptability to the local planning authority as sites for receiving colliery spoil. The Working Party were able to dismiss many of these sites as being unacceptable for a number of reasons. They did, however, identify 5 sites as being worthy of further investigation (plus a sixth site - in the Trent Valley - which may not be a realistic prospect). Each of the 5 sites seems to me to offer a prospect of providing a viable site for the remote disposal of a significant quantity of the spoil likely to be produced from Asfordby.

If the Government's policy in this area is to remain credible, it is important that the Working Party should be allowed to proceed, as a matter of urgency, with its more detailed assessment of these five sites. Furthermore, there are strong arguments for delaying a decision on the application for this mine until this further work has been carried out, unless strong assurances could be attached to your decision which would ensure that the Working Party's conclusions could not be ignored.

One of the most important points to be covered in this further investigation will be an assessment of the likely costs of utilising each of these sites. This question of cost will, I accept, be a significant factor in your eventual decision but this must be balanced with the cost of losing good agricultural

/land

ENERGY: Vale of Belvoir: July 79.

land.

The decision is of course for you alone, and I must recognise the powerful arguments contained in Nigel Lawson's letter to you of 1 March. But it is important that we should not give grounds for any criticism that the final outcome of the Working Party's efforts has been ignored.

I am copying this letter to the Prime Minister, Geoffrey Howe and to Nigel Lawson.

Yours ever

PETER WALKER

ENERGY

LCCJV

Prime Minister (1)

Important. Do you wish to discuss? MCS 1/3

SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ

01 211 6402

Yes. but why the delay? We know that Asfordby has to go ahead now

PERSONAL AND CONFIDENTIAL

The Rt Hon Tom King MP
Secretary of State for the Environment
2 Marsham Street
LONDON SW1

1st March 1983

Dear Tom

ASFORDBY

I am becoming increasingly concerned at the delay in deciding whether or not the NCB's planning application for a new mine at Asfordby should be called in.

I had understood that you were awaiting the interim report of the working party on remote disposal of waste from the North East Leicestershire coalfield before making a decision. The report was published officially some 10 days ago, and was available in final draft form to your officials for some time before that.

The NCB face a difficult industrial relations situation over their proposal to close a heavily loss-making pit in South Wales. The South Wales coalfield is already on strike; it is reported that the Yorkshire miners will join the strike next week; and other NUM areas may do so also. If the NCB are to persuade the mineworkers, particularly in the moderate central coalfields, that closures are essential, then they must also be able to offer hope that investment to secure the long-term future of the industry will continue. As Norman Siddall has repeatedly pointed out to me, continued delay in telling Leicestershire County Council of your decision is increasingly being represented as an attempt by Government to delay the project indefinitely, and as evidence of a generally negative attitude towards the industry. This is most unhelpful in present circumstances.

While I fully recognise that the decision is yours alone, it would be most useful if we could discuss the matter with the Prime Minister in the next day or two.

I am copying this letter to the Prime Minister, Geoffrey Howe and Peter Walker.

Yours ever
Nigel

NIGEL LAWSON

Nat Ins. Coll: Pt 7

Energy

c/c JV

2 MARSHAM STREET
LONDON SW1P 3EB

NBPM

MCS 31/3

My ref:

Your ref:

31 MAR 82

Dear Michael,

VALE OF BELVOIR DECISION LETTER

At Cabinet last Thursday, the Prime Minister asked that my Secretary of State should circulate to cabinet colleagues a copy of the decision letter that was sent to the NCB announcing his decision on their planning applications for mining in the Vale of Belvoir. Some members of Cabinet have already received a copy of the letter as part of the consultation process before last week's Statement. I am therefore copying this letter and enclosure to the Private Secretaries to the Lord Chancellor, the Chancellor of the Duchy of Lancaster, the Secretaries of State for Foreign and Commonwealth Affairs, Education and Science, Northern Ireland, Defence, Scotland, Wales, Trade, Transport, Social Services, the Attorney General, the Lord Privy Seal and the Chief Secretary to the Treasury.

Yours sincerely,

Helen Ghosh

MRS H F GHOSH
Private Secretary

Michael Scholar Esq

Department of the Environment
2 Marsham Street London SW1P 3EB

Direct line 01-212
Switchboard 01-212 3434

The Secretary
National Coal Board
Hobart House
Grosvenor Place
LONDON
SW1X 7AE

Your reference

Our reference
M/183/21

Date
25 March 1982

Sir

TOWN AND COUNTRY PLANNING ACT 1971

APPLICATIONS BY THE NATIONAL COAL BOARD IN RESPECT OF THE VALE OF BELVOIR

1. I am directed by the Secretary of State for the Environment to refer to the National Coal Board's applications to:-

a. the Melton Borough Council for:-

i. planning permission for the winning and working by underground methods of coal situated within such parts of the seams described below as are within the Melton District, and the execution underground of such works as are requisite or convenient for that purpose, and for the carrying out of building and engineering operations including the deposit of spoil for the purposes of the underground mining and the development described in ii. below;

ii. planning permission for the erection of buildings relating to the winning and working of coal by underground methods at the sites of 3 mines on the land shown bounded by a red line on Plans Nos. 6, 7 and 8 in the Supplementary Statement accompanying the application;

b. the Rushcliffe Borough Council for planning permission for the winning and working by underground methods of coal lying within such parts of the seams described below as are within the Rushcliffe District, and the execution underground of such works as are requisite or convenient for the purposes of such winning and working;

c. the South Kesteven District Council for planning permission for the winning and working by underground methods of coal lying within such parts of the seams described below as are within the South Kesteven District, and the execution underground of such works as are requisite or convenient for the purposes of such winning and working.

The seams to which the applications referred to in Paragraphs a.i, b and c above relate are the Top Bright (including the Cinderhill main leaf of the Top Bright), Dunsil/Waterloo, Deep Main, Parkgate and Blackshale seams lying within the area of land shown edged and coloured red in Plan No. 1 in the Supplementary Statement accompanying each of these applications.

2. I am also to refer to the Secretary of State's direction of 23 January 1979, given in pursuance of section 35 of the Town and Country Planning Act 1971, that the applications be referred to him for decision instead of being dealt with by the local planning authorities.

3. I am further directed by the Secretary of State to refer to the public inquiry conducted by his Inspector, Mr Michael Mann QC, on 30 October 1979 to 2 May 1980 at which the Inspector was accompanied by 2 assessors, Mr R K Taylor MSC PhD CEng FIMM FGS and Mr S W Midwinter RIBA FRTPI. A copy of the Inspector's Report is enclosed. The Inspector's principal conclusions and his recommendations are set out in Chapter 17 of his report and are reproduced at Annex 1 to this letter.

4. The Inspector recommended that:-

i. planning permission should be granted to mine the Vale of Belvoir coalfield in accordance with the applications;

ii. outline planning permission should be granted to construct mines at Asfordby, Hose and Saltby;

iii. outline planning permission should be granted to construct a tip at Asfordby;

iv. the permissions should be subject to the conditions recommended in Chapter 16 of his report;

v. permission should be refused for the construction of tips at Hose and Saltby.

ENVIRONMENTAL EFFECTS

5. The Secretary of State has carefully considered all of the issues in the Inspector's report, and notes his conclusions. He agrees with the view expressed at the inquiry and endorsed by the Inspector that visually the area proposed to be mined is important in regional terms, although not outstanding in national terms; and he accepts the point made in evidence by the Countryside Commission that the East Midlands is not well endowed with areas of attractive countryside and that this factor increases the value and importance of the Vale of Belvoir. He endorses the Inspector's assessment that the attractive eastern parts of the area reach the quality generally expected to be found in a national park and that the escarpment crowned with the Harby Woods is also a feature of considerable attraction.

6. It appears to the Secretary of State that the main impact of the proposed development, particularly from the visual standpoint, would result from the mine buildings and the three spoil tips. He notes the Inspector's view that there is no reason in principle why the mine buildings should not become acceptable visual elements in their proposed settings and that there would be no serious or widespread damaging effect on the area as a whole. He does not accept that view. As the Inspector says, the buildings would incorporate structures equivalent to 17-19 storey tower blocks which could not be effectively screened from many places, and therefore they would be visible over wide areas. This is particularly true of the Hose complex as the Inspector himself notes in Paragraph 9.8.10 of his report. The Inspector goes on to say that the escarpment provides a suitable background screen which would contain the visual intrusion and provide some visual context for the placing of buildings in a way which he finds acceptable. The Secretary of State notes this, but he prefers the evidence given at the inquiry to the effect that the shaft towers would dominate a wide area and that the surface developments would be alien in the Vale. He therefore believes that the proposals to develop a mine complex at Hose are unacceptable. At Asfordby and Saltby, he does not consider that the impact of the mine complexes would be sufficiently strong to warrant a refusal of permission on these grounds alone.

7. The Secretary of State fully accepts the Inspector's conclusion that tipping operations at Hose and Saltby, which would continue for upwards of half a century, would in visual terms be totally unacceptable and that noise would be a problem. So far as the final forms of these tips are concerned, the Inspector considered that the one at Saltby would be unacceptable but was not persuaded that the final form of the Hose tip would necessarily be unacceptable. The Secretary of State accepts the Inspector's conclusion on the Saltby tip but so far as Hose is concerned he agrees with the views of the Alliance that it would mar the contrast of the steep escarpment face with the sweep of the valley and would destroy one of the finest landscape features of Midland England. The Secretary of State therefore concludes that the final form of the tip at Hose would be equally unacceptable.

8. With regard to the tip at Asfordby, the Secretary of State accepts the Inspector's conclusions in relation to noise and visual impact but he is concerned with the impact of tipping operations on agriculture. Government policy for the protection of agricultural land, set out in Circular 75/76, is to ensure that as far as possible land of a higher agricultural quality is not taken for development where land of a lower quality is available and that the amount of land taken is no greater than is reasonably required for carrying out the development in accordance with proper standards. The Secretary of State in his consideration of the proposed development as a whole attaches more weight to this policy than does the Inspector.

9. The Secretary of State therefore concludes that the Board's proposals for tipping at Hose and Saltby are unacceptable as they stand. He is also concerned about the impact of tipping at Asfordby. He is of the opinion that before local tipping at any of the three sites could be contemplated the possibility of remote disposal of spoil, for example in Bedfordshire, should be explored in greater detail between all the bodies involved and, in addition, further research could usefully be undertaken into the question of underground disposal of waste, as mentioned by the Inspector.

NEED

10. The Inspector's view on need was that it is somewhat more likely than not that there will be a need for a supplement to indigenous deep-mine capacity at about the time the Belvoir coalfield could become fully operational. He took this view on the basis of his assessment of a number of factors (listed in paragraph 4.11.1 of his Report) and stated that he was unable to refine his opinion by suggesting the year in which the need would arise or the exact extent of that need. The Secretary of State accepts that the coal will be needed at some time in the future, but he is not convinced on the information at present before him that the degree of need demonstrated outweighs the adverse environmental effects considered in paras 5-9 above.

EMPLOYMENT

11. The Secretary of State notes that the National Coal Board drew attention to the fact that the opening of the Belvoir coalfield would afford an opportunity to employ mineworkers who would be made redundant by colliery closures in the South Nottinghamshire and South Midlands areas. He also notes the evidence presented by the NUM, also acting on behalf of the other mining unions. that the development of the Vale of Belvoir coalfield would ameliorate the effect of the impending colliery closures in the NW Leicestershire and South Nottinghamshire areas. Accordingly the Secretary of State has considered whether the development of the Vale of Belvoir can be justified on the grounds of the employment opportunities it will create for mineworkers. He has concluded that the very important benefits which would accrue from the provision of such employment will need to be considered in the light of any fresh applications that the NCB may wish to make, and which can be made within a timescale compatible with the employment requirements. Full account can then be taken of the balance between the environmental effects and the need for the development.

CONCLUSIONS

12. For the reasons set out in paragraphs 5 to 11 above the Secretary of State hereby refuses planning permission for the development of the Vale of Belvoir coalfield as set out in the planning applications recited at paragraph 1 above.

13. The Secretary of State fully accepts the need to ensure that the nation has adequate and secure sources of energy to meet prospective requirements and he notes that the Department of Energy argued at the inquiry that if the coal industry is competitive and based on efficient high productivity capacity, it will have an essential and increasing part to play in meeting our future needs for energy. He also accepts that the NCB might wish to submit new planning applications relating to revised proposals to exploit this massive national resource.

14. The Secretary of State considers that before any such applications are submitted the Board should examine whether, since the construction of a mine at Hose is environmentally unacceptable, they would wish to proceed to develop the coalfield with mines at Asfordby and Saltby or whether other environmentally acceptable sites could be found which would also meet the Board's operational requirements. In addition, the Board should investigate in detail possible ways of disposing of colliery waste other than local surface tipping. The Secretary of State will shortly be writing to propose discussions amongst those principally concerned (and in which the appropriate officials from this Department would participate) on how some of the present environmental problems associated with the development of this coalfield, particularly spoil disposal, can be overcome.

15. The Secretary of State has considered the point raised by the Inspector in paragraph 17.7.2 of his report relating to the granting of a partial permission. The Board submitted one application covering all of the underground coal extraction in Leicestershire together with the three mine complexes and the three tips, and they have thus opted to stand or fall on a strategy of developing the whole coalfield as one project. The Secretary of State takes the view that in these circumstances the granting of a permission for only part of the development would be in effect granting a permission for development which is significantly different in kind from the proposal which was the subject of the application. This may be a point which the Board would wish to bear in mind in future.

16. The Secretary of State acknowledges that it has taken a long time to determine this application since the Inspector's Report was received in November 1980. While it is his firm policy to ensure that planning applications and appeals are processed expeditiously, this case raised a number of complex issues which it was important to explore fully before any decision was taken.

17. Your attention is drawn to the attached memorandum relating to the provisions of section 245 of the Town and Country Planning Act 1971.

I am Sir
Your obedient Servant

Paul F Everall

P F EVERALL
Authorised by the Secretary of State
to sign in that behalf

References to Members

Mr. David Crouch (Canterbury): On a point of order, Mr. Speaker. I wonder whether it has been brought to your notice that in the past few days and weeks there has been an increasing tendency in the Chamber for references to be made to hon. Members other than by their constituencies. The tendency to refer to hon. Members and their speeches by name has been growing, has been evident in the past few days and was particularly evident last night. Although it is sometimes convenient to refer to a press report written by "Mr. So-and-So" or "Mrs. So-and-So" instead of referring to the hon. Member involved by his constituency, I wonder whether you think that we should check that tendency.

Mr. Speaker: I am much obliged to the hon. Gentleman. I have not heard such references when I have been in the Chair, but I shall gladly look into the matter. We must follow the traditional custom of addressing each other by our constituencies.

Vale of Belvoir

3.49 pm

The Secretary of State for the Environment (Mr. Michael Heseltine): With your permission, Mr. Speaker, I should like to make a statement setting out my decision on the National Coal Board's planning applications to exploit what has become known as the Vale of Belvoir coalfield.

In August 1978, the board submitted a planning application to Melton borough council for permission to work that part of the coalfield which lies under Leicestershire, to construct three mines at Hose, Saltby and Asfordby, and to tip spoil adjacent to the three sites. At the same time, applications were made to Rushcliffe borough council and South Kesteven district council for permission to work those parts of the coalfield which lie under Nottinghamshire and Lincolnshire respectively. These applications were called in by my predecessor, the right hon. Member for Stepney and Poplar (Mr. Shore), in January 1979.

A public local inquiry was conducted on my behalf by Mr. Michael Mann, QC, assisted by two assessors. I should like to record my gratitude to Mr. Mann and his two colleagues for the way they conducted the inquiry and for the report, a copy of which I have placed in the Library together with a copy of my decision letter, which is being issued today.

The inspector recommended that planning permission should be granted for the development of the coalfield and the construction of all three mines, but that permission should be refused for the proposed spoil tips at Hose and Saltby.

I have carefully considered all the issues in the inspector's report. I agree with the inspector that the board's proposals for tipping at Hose and Saltby are unacceptable as they stand, but in addition I am concerned about tipping at Asfordby because of its impact on agriculture. I have concluded that before local tipping at any of the three sites could be contemplated the possibility of other methods of spoil disposal should be further examined.

I have also concluded that the development of a mine complex at the proposed Hose site is environmentally unacceptable. Mine buildings here on the scale proposed would dominate a wide area, and would be alien to the vale.

The inspector concluded that it was somewhat more likely than not that there will be a need to supplement indigenous deep-mine capacity at about the time the Belvoir coalfield could become fully operational, but he felt unable to refine his opinion by suggesting the year in which the need would arise or the exact extent of that need. I accept that the coal will be needed in the future, but I have had to weigh the degree of need demonstrated with the adverse environmental effects to which I have already referred.

I have also considered whether the development of this coalfield can be justified on the grounds of the employment opportunities that it would create for mineworkers displaced by colliery closures in the north-west Leicestershire and south Nottinghamshire areas. I have concluded that the very important benefits which would accrue from the provision of such employment

[Mr. Michael Heseltine]

should be considered in the light of any fresh applications that the board may wish to make and in a time scale compatible with the employment requirements.

I have concluded that the need and employment arguments are not incompatible with the need to seek an alternative approach to the mining of this coalfield which gives more weight to the environmental objections, and I have therefore refused planning permission for the development of the Vale of Belvoir coalfield as set out in the present planning applications. This decision should not be seen as in any way going against Government policy that the coal industry has an essential and increasing part to play in meeting this country's future needs for energy provided that it is competitive and based on efficient high productivity capacity. I accept that the board might wish to submit new planning applications setting out revised proposals to exploit this massive national resource.

However, before doing so, I consider that the board should re-examine how the coalfield can be worked to minimise environmental disturbance and how the colliery waste can be disposed of other than by local surface tipping. I recognise that this second point has ramifications going beyond the board's interests, and I shall therefore be writing shortly to those principally concerned with a view to inviting discussions on how the spoil disposal problem can best be overcome. It is very important that these discussions should be pursued with vigour and brought to a conclusion as soon as possible. It is a matter for the board as to when new planning applications are submitted, and, provided the major environmental objections can be overcome, I would not anticipate that the procedures for handling these would need to be unduly prolonged.

There is one other point to which I should like to refer. The board submitted a single application covering all the underground coal extraction in Leicestershire, together with the three mine complexes and the three tips, and it has thus opted to stand or fall on a strategy of developing the coalfield as one project. I take the view that, in these circumstances, the granting of a permission for only part of the development would be in effect granting a permission fordevelopment which is significantly different in kind from the proposal which was the subject of this application. Had it not been for this, and had there been acceptable proposals for spoil disposal, I would have been minded to grant planning permission for mines at Asfordby and Saltby.

Mr. Gerald Kaufman (Manchester, Ardwick): Is the right hon. Gentleman aware that the statement that we have just heard is a lamentable confession of vacillation and delay? As my right hon. Friend the Leader of the oppostition has said, we shall want to debate the issue as soon as possible. Is it not a fact that it is three and a half years since the planning applications were submitted, nearly two years since the public inquiry ended and 15 months since the right hon. Gentleman received the inspector's report? How, in the light of that time scale, can he have the nerve to invite others to conduct discussions with vigour and bring them to a conclusion as soon as possible?

Is the right hon. Gentleman aware that the applications were supported at the public inquiry by the Department of Energy and the European Commission, that both Leicestershire and Nottinghamshire county councils now support them, and that, as he has acknowledged, his inspector recommended in favour of them? Is it not a fact, as the leader of the Conservative Members of the European Assembly has said, that the development is vital to meet EEC energy needs? Does the right hon. Gentleman accept that without the Belvoir development the "Plan for Coal", on which our mining industry depends, will have a large hole blasted through it? Does the right hon. Gentleman realise that before the end of the decade more than 8,000 jobs in the mining industry will be lost through the exhaustion of pits in Leicestershire and Nottinghamshire, and that the development that he has rejected could replace nearly 4,000 of those jobs?

If the right hon. Gentleman is concerned about the environment, why has he gone to such lengths to protect a site which he says in his decision letter is important in regional terms, although not outstanding in national terms, while not lifting a finger to save major national sites of special scientific interest which are now being wrecked, such as West Sedgemoor, Romney Marshes and, worst of all, the internationally immportant site of Havergate Marshes, which is now awaiting destruction and is causing international concern?

Is the right hon. Gentleman aware that as a result of his statement today further delays are inevitable? It will take the National Coal Board another year to put together a freash application. Will he give some assurances about the future time scale for a new inquiry and for a decisioon? Will that decisin give the green light that is needed?

Is the right hon. Gentleman aware—*[Interruption.]* These are important matters involving jobs and Britain's future. Is the right hon. Gentleman aware that his environmental reasons for rejecting the applications are meagre and inconsistent and that his rejection is damaging to jobs, to coal, to the electricity supply industry and to Britain's industrial future?

Mr. Heseltine: The right hon. Gentleman should perhaps be careful before he challenges the Government on their attitude towards SSSIs. This is the first Government to do anything about SSSIs since the relevant legislation was put on the statute book in 1948. If he is to dismiss so lightly the environmental case for the preservation of the Vale of Belvoir, he will want to bear in mind the inspector's references to land of a character normally associated with a national park. That should be of as much concern to the right hon. Gentleman as shadow Secretary of State for the Environment, as it is to me.

The need for a debate has been raised with my right hon. Friend the Leader of the House, and it is for him to make a decision. This has been a difficult and complex decision and I have looked back to see what my predecessor, the right hon. Member for Stepney and Poplar (Mr. Shore), did in matters perhaps less complex than the one with which I have had to deal. It took the right hon. Gentleman rather longer to deal with the Liverpool Street station decision, and almost as long to deal with the Selby decision. I cannot accept that I have taken an unwarrantably long time, but I accept at once that I have taken a very full time in reaching a decision.

The right hon. Gentleman will know that although the inspector recommended that there should be mines in each of the three sites and that there should be no tipping at Hose and Saltby, he did not deal with the disposal of the

waste. He left that as one of the conclusions to be reached later. It seemed right that this was a matter to be resolved while the decisions were still to be made.

We then move on to perhaps the most important element of the questions asked by the right hon. Gentleman—what happens in the next stage? The House will remember that I said that I accepted that the coalfield in North East Leicester would be developed. I believe that we should move forward in the light of all the discussions and the public ventilation of the matters that there has been.

To ensure that we move forward as rapidly as possible I have made it clear that I intend to approach the principal parties to this matter, making officials in my Department available to ensure that no time is wasted. I am of the view that the employment opportunities—which are obviously of great concern to everybody—can be met within the time scale of the new possibilities that I am outlining to the House today.

I understand, of course, that it is of great concern to the people directly involved that that should be the case. The precise timing is not within my remit. It must depend upon the reaction of the National Coal Board. The board which must now decide which way to go, will read in my statement my view that this coalfield should be developed and will therefore welcome the fact that I am to make officials from my Department available to help the parties concerned overcome some of the obstacles.

Mr. Michael Latham (Melton): Is my right hon. Friend aware that while there will be considerable relief in my constituency following his statement, there will also be some disappointment over the fact that the matter is still not finally settled, because of the reluctance of the National Coal Board to submit three separate planning applications, which it specifically refused to do? Does my right hon. Friend realise that the broad hint that he has given to the House, that Hose should be spared on environmental grounds, but that Saltby and Asfordby might be the subject of fresh applications by the board, with the strictest possible environmental conditions, might prove the basis for an honourable and acceptable compromise on one of the most difficult planning decisions since the war?

Mr. Heseltine: I thank the hon. Member for that helpful intervention. No one has shown more concern about these matters than he has. I was faced with one application, as my hon. Friend said. I took legal advice on whether I could separate the components of that application and reach different judgments. I was advised that it would not be proper or advisable for me to do so, and therefore I have had to take a general view. Within that general view I have tried to give the clearest indication that I am able, within my statutory responsibility, about the future use of this coalfield. The House will remember that I specifically said at the end of my statement that, in respect of Asfordby and Saltby, if tipping arrangements could have been dealt with I should have been minded to accept those as mines in the future.

Mr. David Steele (Roxburgh, Selkirk and Peebles): May I ask the Secretary of State to elaborate on his hint that two mines might be given the go-ahead in the future? Does this mean that we shall have to go through the whole planning procedure again from scratch? If not, will he assist the House by giving us more detail on how that might be short-circuited?

May I also ask the right hon. Gentleman what quantity of the total coal resources available can be mined from these two mines, as distinct from the three for which application was made?

Where does the Department of Energy stand on this issue? If there is a further hold up in the development of the exploration of coal reserves, the assumption must be that there will be greater dependence on the development of nuclear power, with the environmental problems that that will create.

Mr. Heseltine: The right hon. Member raises a number of important points. I cannot judge what procedures will be necessary in advance of the application being submitted, but there is a range of options. The board will decide what applications to put in. It will be for me to decide whether I wish to call in those applications. I shall have to judge that in the light of the nature of the applications, whether I feel that new issues have to be considered and the number of people wishing to object.

The right hon. Gentleman asked about the proportion of coal that could be extracted from those two mines. That is a matter to which the board will wish to address its mind, but it is not just those two mines that might be the means of exploiting the coal resources. The right hon. Gentleman will be familiar with the Cotgrave pit, which is on the fringe of this coalfield, and there may be a number of other applications or procedures which the board will wish to ventilate. That must be for the board. The only point that I put to the House is that if the board is minded to go forward by considering proposals again—subject to the points I have made today—that are broadly those which have already been examined, the procedures may not be so drawn out as before. I cannot judge that until I see the way things unfold.

Mr. J. D. Concannon (Mansfield): I represent one of the finest areas in Nottinghamshire, mainly Sherwood Forest and the Dukeries. I remind the right hon. Gentleman that this area has probably one of the most productive and profitable coalfields not only in this country but in Europe. There is a continuity problem, as some of this area, especially in South Nottinghamshire, will be running out of coal in the near future. It is strange to hear the Secretary of State say that it is possible to have coalmines but that we must not tip the muck anywhere in Leicestershire. The right hon. Gentleman must know that coalmines have been closed, not because they have been uneconomic, but because it has not been possible to find tipping space. Where does the Secretary of State expect the board to tip the rubbish that it will get out of the coalmines?

Mr. Heseltine: The right hon. Member has raised two points. One related to his concern for the general quality of the environment surrounding the land traditionally associated with coal extraction. Many people in the area around the Vale of Belvoir, including large numbers of miners and their families—represented by many of the environmental groups at the public inquiry—treasure the access to magnificent countryside there and would greatly regret the intrusion of a tip 2 miles long and buildings 17 to 19 storeys high, because that would prejudice that environment for a certain time.

[Mr. Heseltine]

I have had to bear those facts in mind. I have had to ask whether the alternative means of disposing of the soil have been fully considered. There are two such examples that I put before the House. First, it has been suggested that the soil should be moved to Bedfordshire where there are empty brick-clay pits which are now in need of reclamation. If there were a way—and I cannot know whether, there is—of reclaiming that derelict land in Bedfordshire at the same time as using this spoil, it would be a constructive way forward.

Another point that should be carefully considered—although I understand that there are difficulties which we must finally resolve—is the one to which the inspector referred—the need for research into back stowage. I understand the difficulties, but I must be satisfied that this matter has been fully considered before a decision is reached.

Mr. Stephen Hastings (Mid-Bedfordshire): While making it clear to my right hon. Friend that slag heaps in Biggleswade or my constituency will be no more welcome than they would be anywhere else, may I ask whether he recognises that his decision will come as a considerable relief to the many and mounting number of people who are deeply disturbed at the rate of disappearance of farmland? From their reaction, it is clear that the Opposition do not care about it.

Mr. Concannon: We have lived with it for years.

Mr. Hastings: Is it not fair to say that the board has been among the principal predators in this direction and that the time has come for it to think again about its technology? Can my right hon. Friend say anything more about what he called the alternative approach? Will new technology be involved in the extraction or combustion? I am sure that the House will be interested to hear about that.

Mr. Heseltine: I understand my hon. Friend's concern about the disappearance of agricultural land. This is one of the matters that has led me to the judgment that I have taken on Asfordby, where we are dealing with class 1 agricultural land. I believe that the National Coal Board has a remarkable record in reclaiming many of its tips. The board's endeavours, supported by Governments of all parties, have earned great praise from the community at large.

Mr. Frank Haynes (Ashfield): Is the Secretary of State aware that his statement will be received with a sense of shock back in the coalfields? Those living in the coalfields, and myself in particular, feel that it is an example of party dogma. If the Duke of Rutland had been receiving the proceeds from coal coming out of the shafts, the pits would have been developed. Will the Secretary of State come clean? It is obvious that his hon. Friend the Under-Secretary of State has not provided him with an opportunity to see what pit working is all about and what has been happening for many years over the reclamation of pit tips. There are not the eyesores to which the right hon. Gentleman refers. Why does the Secretary of State not stop sitting around the Cabinet table talking of issues about which he knows nothing?

Mr. Heseltine: I understand how deeply people feel on these matters. I spent a considerable part of last week in West Yorkshire, where the Labour leader of the West Yorkshire metropolitan county council showed me the problems of dereliction arising from mining. I understand that the policies of both parties is to eradicate such dereliction. It would be wrong to pretend that the desire to try to protect the environment while exploiting the natural resource of coal, is a desire that is restricted to any one party. I hope that the hon. Gentleman, on mature reflection, will realise that my decision will not come as a shock in the coalfields. I have said that the North-East Leicestershire coalfield will be developed. the only issue is how we deal with the complex problem of spoil disposal.

Mr. Stephen Dorrell (Loughborough): Is my right hon. Friend aware that the miners of North West Leicestershire will welcome his statement that he will put the resources of the Department at the disposal of the NCB to prepare a scheme for mining the Vale of Bevoir that will resolve the difficult conflicts that exist in the area? Can he assure me that he will stress to the officials of his Department the urgency of the situation for those miners working in pits with less than 10 years' life left in them?

Mr. Heseltine: I am sure that large numbers of miners will recognise that I am trying to secure for them the job opportunities that this resource presents, while at the same time protecting the environment, which is a matter of as much concern to them as it is to me. My hon. Friend is right. I am enabling officials of my Department to work alongside those who have eventually to put forward proposals. This must be an earnest of my determination that there should be no undue delay.

Mr. Dennis Skinner (Bolsover): On the issue of stowing the rock that comes out of the pits, will the right hon. Gentleman accept that one reason for moving away from the packing system many years ago to the system that operates in most coalfields now was to achieve greater efficiency? That explains why much of the stone now comes up the pit notwithstanding the fact that many new developments have taken place to try to get rid of it. Will the right hon. Gentleman bear in mind that the National Coal Board has got rid of tips where pits have been closed in the course of the past 20 years and that it has also got rid of many of the eye sores that existed in private enterprise days?

The right hon. Gentleman referred to the disfigurement of the skyline and the environment by the development of shafts and drift mines. Will he remind his colleagues in the Cabinet that when it comes to allowing the Americans to instal cruise missiles sites, there seems to be a completely different attitude towards disfigurement of the environment and the landscape?

Mr. Heseltine: I am sorry that the hon. Gentleman should seek to introduce wholly irrelevant and rather extreme Left-wing views into the issue. I accept his view that the problems of back stowage exist. I believe that it is incumbent on me, as Secretary of State for the Environment, to be sure that they are fully examined before reaching a decision.

Mr. Douglas Hogg (Grantham): I am sure that my right hon. Friend will be aware that my constituents in Grantham will want to be sure that any future application in regard to Saltby is given careful and detailed consideration and is not passed over lightly. Will my right

hon. Friend consider giving an undertaking that he will call in any future application that may be made in regard to Saltby?

Mr. Heseltine: I understand my hon. Friend's concern. I cannot give him the assurance that he seeks. Until I see the application and the issues involved, it would be wrong for me to prejudge the issues.

Several Hon. Members *rose*——

Mr. Speaker: Order. I propose to call those hon. Members who have been rising, before moving on to our next business.

Mr. Allen McKay (Penistone): Does the Minister realise that his statement will cause concern not only in the coalfields that he has mentioned, but throughout the coal industry? It means a change of emphasis and a shift in direction by the Government over the future energy supplies of this country. Will he confirm that by the time the planning applications, to which there will be objections, have been resolved, about 8,000 men will be out of work?

Does the right hon. Gentleman recognise that the repercussions will affect not only collieries but manufacturers of mining machinery, who had been looking for orders? Is he aware that hundreds of men employed in the manufacture of mining machinery will be thrown out of work? Is he aware also that there are facilities available for the disposal of dirt in Bedfordshire, but that the missing element is money? Will he say whether the money will be provided? Will he take the opportunity to go underground to see for himself why back stowing is impossible in retreat mining?

Mr. Heseltine: The hon. Gentleman will know that the inspector who conducted the inquiry recommended that there should be more research into back stowing. It would seem to me that as he sat through the inquiry and received all the evidence, I had to take note of that recommendation. I hope that the hon. Gentleman will not repeat outside the House the statements that he has made in the Chamber. They are not based on any fact. There is no change of emphasis. I have made clear my views that this coalfield is to be developed. There is no justification for the unemployment forecasts that the hon. Gentleman has made. They are conjured out of the air.

Mr. John Farr (Harborough): I assure my right hon. Friend that his statement will be widely welcomed in the district, not because anyone is anti-coal mining, but because this area, not least the Vale of Belvoir, is a particularly valuable and important agricultural asset. Will my right hon. Friend give an assurance that before the vale is mined, as eventually may be the case, full environmental safeguards will be employed to make sure that damage to the environment is as small as possible?

Mr. Heseltine: I know of my hon. Friend's concern. I hope that when he studies the decision letter that I have issued today he will find that I have taken into account the environmental considerations to which he attaches great importance, as I do. I have to balance that with the need to consider the job opportunities and the development of this important national asset.

Mr. Alex Eadie (Midlothian): Whatever the right hon. Gentleman may tell the House, his announcement of refusal is a prescription for delay and also a prescription for increasing substantially the cost of coal. The right hon. Gentleman talked of matters being commensurate with cost. He referred to the new application being timed and the development being timed commensurate with the time scale of likely employment. I wonder how well the right hon. Gentleman has been advised. Does he not recognise the long lead times involved in mining development? People in this area cannot wait years for the development to go ahead. I hope that the right hon. Gentleman will consult the Department of Energy who will advise him that the project needs to go ahead now. Is he aware that his announcement is a national scandal?

Mr. Heseltine: The hon. Gentleman has not listened carefully to what I said. I intend shortly to write to the people who are most immediately involved. There is no way in which I can control the time that it takes the National Coal Board to submit its applications. It is for the board to initiate any application. It is the board that has to carry out the extraction policies. If the matter comes to me, I shall respond to the board as quickly as possible thereafter.

Mr. Tim Eggar (Enfield, North): Is my right hon. Friend aware that his announcement that two mines may be permitted to go ahead will be welcomed by all of us on this side of the House who are committed to the long-term future of the coal industry? Should the NCB not come up with environmentally acceptable proposals, will my right hon. Friend consider contacting other private sector entities, which might be able to come up with such proposals?

Mr. Heseltine: I have to make it clear to my hon. Friend that it is not a matter for me, as the planning authority, to contact anybody to initiate applications. The question of who extracts coal is established Government policy. It would be for my right hon. Friend the Secretary of State for Energy to announce any changes, of which I am currently not aware.

Mr. Edwin Wainwright (Dearne Valley): Does the right hon. Gentleman realise that his sad, solemn facial expression will not get across to the miners? Does he agree that he is under pressure from his hon. and right hon. Friends not to go ahead with this important part of the coal mining industry? How does he know that the Vale of Belvoir will not have the same opportunity as Selby to keep in dirt? Has he considered sending the dirt to the shafts which have been left at the claypits in Bedfordshire and similar areas? Does he realise that if he carries on like this the pits in Leceistershire will close and men will be out of work because they cannot develop this very important seam?

Mr. Heseltine: That must be the fifth time that that question has been asked, and I have answered it every time. The hon. Gentleman is trying to make points that have no basis in the terms of the decision that I have announced today.

Mr. Peter Hardy (Rother Valley): The House will have noted the Secretary of State's concern for the environment. May we hope that it will be made tangible by support for those agencies that are charged with public concern for environmental matters? Will he make it clear to the House that the application submitted by the NCB revealed more concern for environmental protection in mining operations than has ever previously been seen?

[Mr. Peter Hardy]

Will he accept that it is an essential operation? Given his concern for the environment, may we take it that the people of the Yorkshire coalfields will receive the same degree of consideration as those in the Dukedom of Belvoir?

Mr. Heseltine: The hon. Gentleman will know that I have increased the amount of derelict land grant for next year to a record sum. My commitment is in advance of anything that his Government ever did.

One has to balance all considerations. I believe that the environmental issues surrounding the extraction of coal can be solved, and it is important to ensure that every effort is made to do so. I believe that there are certain matters still to be explored. Nobody can question my determination to explore them once they realise that I am to make available officials in my Department to have active discussions with those responsible for extracting coal.

Middle East

Mr. Ernie Ross (Dundee, West): I beg to ask leave to move the Adjournment of the House under Standing Order No. 9 for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the serious threat to peace in the Middle East."

The specific instance is the dismissal by the Israeli military authorities of the democratically elected mayors of Nablus, Bassam Shakaa, and Karim Khalaf of Ramallah. I suggest that the House should adjourn to discuss the matter. Allied to that is the shooting yesterday of an unarmed, 17 year-old Palestinian by an Israeli settler.

I suggest that is a further reason why the House should give me leave to move the Adjournment. The continual dismissal of democratically elected mayors must give rise to serious concern about the total breakdown of the civilian administration in the occupied territories. The Israeli decision is a clear breach of article 54 of the Geneva convention concerning the power of occupying forces. Television has demonstrated, and the House has witnessed, armed Israeli civilians firing on crowds of Arab youngsters and elderly women. It must pose a serious threat to peace in the Middle East if the oppressed Palestinian people seek to defend themselves. The decision of about 30 Arab policemen in Jerusalem to resign is a further example of the breakdown of the civilian administration of the West Bank. That breakdown could as easily lead to civil war.

The House last specifically debated the Middle East on Friday 9 March 1979 although the matter has arisen since during various foreign affairs debates. There was to be a debate on 22 December 1981 but that debate did not take place.

The House knows that we decided to participate in the Sinai peacekeeping force. I believe that it is important that the House should have a guarantee of the safety of the individuals in that peacekeeping force.

The other matter that should concern this House as a matter of urgency is the fact that the Foreign Secretary will visit Israel on Wednesday. Before that visit takes place I believe that the House should have the opportunity to express its abhorrence and concern at the way the Israeli authorities carry out their civilian-occupying administration on the West Bank.

Mr. Speaker: The hon. Gentleman gave me notice before 12 o'clock this morning that he would seek leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he thinks should have urgent consideration, namely,

"the serious threat to peace in the Middle East."

He submitted in his letter the reasons he has outlined to the House in moving this motion.

He knows, and the House knows, that under Standing Order No. 9 I am directed to take into account the several factors set out in that Order but to give no reasons for my decision. I have listened with care to the hon. Gentleman, but I must rule that his submission does not fall within the provisions of that Standing Order, and therefore I cannot submit his application to the House.

Department of the Environment
2 Marsham Street London SW1P 3EB

Direct line 01-212
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The Secretary
National Coal Board
Hobart House
Grosvenor Place
LONDON
SW1X 7AE

Your reference

Our reference
M/183/21

Date
25 March 1982

Sir

TOWN AND COUNTRY PLANNING ACT 1971

APPLICATIONS BY THE NATIONAL COAL BOARD IN RESPECT OF THE VALE OF BELVOIR

1. I am directed by the Secretary of State for the Environment to refer to the National Coal Board's applications to:-

a. the Melton Borough Council for:-

i. planning permission for the winning and working by underground methods of coal situated within such parts of the seams described below as are within the Melton District, and the execution underground of such works as are requisite or convenient for that purpose, and for the carrying out of building and engineering operations including the deposit of spoil for the purposes of the underground mining and the development described in ii. below;

ii. planning permission for the erection of buildings relating to the winning and working of coal by underground methods at the sites of 3 mines on the land shown bounded by a red line on Plans Nos. 6, 7 and 8 in the Supplementary Statement accompanying the application;

b. the Rushcliffe Borough Council for planning permission for the winning and working by underground methods of coal lying within such parts of the seams described below as are within the Rushcliffe District, and the execution underground of such works as are requisite or convenient for the purposes of such winning and working;

c. the South Kesteven District Council for planning permission for the winning and working by underground methods of coal lying within such parts of the seams described below as are within the South Kesteven District, and the execution underground of such works as are requisite or convenient for the purposes of such winning and working.

The seams to which the applications referred to in Paragraphs a.i, b and c above relate are the Top Bright (including the Cinderhill main leaf of the Top Bright), Dunsil/Waterloo, Deep Main, Parkgate and Blackshale seams lying within the area of land shown edged and coloured red in Plan No. 1 in the Supplementary Statement accompanying each of these applications.

2. I am also to refer to the Secretary of State's direction of 23 January 1979, given in pursuance of section 35 of the Town and Country Planning Act 1971, that the applications be referred to him for decision instead of being dealt with by the local planning authorities.

3. I am further directed by the Secretary of State to refer to the public inquiry conducted by his Inspector, Mr Michael Mann QC, on 30 October 1979 to 2 May 1980 at which the Inspector was accompanied by 2 assessors, Mr R K Taylor MSC PhD CEng FIMM FGS and Mr S W Midwinter RIBA FRTPI. A copy of the Inspector's Report is enclosed. The Inspector's principal conclusions and his recommendations are set out in Chapter 17 of his report and are reproduced at Annex 1 to this letter.

4. The Inspector recommended that:-

i. planning permission should be granted to mine the Vale of Belvoir coalfield in accordance with the applications;

ii. outline planning permission should be granted to construct mines at Asfordby, Hose and Saltby;

iii. outline planning permission should be granted to construct a tip at Asfordby;

iv. the permissions should be subject to the conditions recommended in Chapter 16 of his report;

v. permission should be refused for the construction of tips at Hose and Saltby.

ENVIRONMENTAL EFFECTS

5. The Secretary of State has carefully considered all of the issues in the Inspector's report, and notes his conclusions. He agrees with the view expressed at the inquiry and endorsed by the Inspector that visually the area proposed to be mined is important in regional terms, although not outstanding in national terms; and he accepts the point made in evidence by the Countryside Commission that the East Midlands is not well endowed with areas of attractive countryside and that this factor increases the value and importance of the Vale of Belvoir. He endorses the Inspector's assessment that the attractive eastern parts of the area reach the quality generally expected to be found in a national park and that the escarpment crowned with the Harby Woods is also a feature of considerable attraction.

6. It appears to the Secretary of State that the main impact of the proposed development, particularly from the visual standpoint, would result from the mine buildings and the three spoil tips. He notes the Inspector's view that there is no reason in principle why the mine buildings should not become acceptable visual elements in their proposed settings and that there would be no serious or widespread damaging effect on the area as a whole. He does not accept that view. As the Inspector says, the buildings would incorporate structures equivalent to 17-19 storey tower blocks which could not be effectively screened from many places, and therefore they would be visible over wide areas. This is particularly true of the Hose complex as the Inspector himself notes in Paragraph 9.8.10 of his report. The Inspector goes on to say that the escarpment provides a suitable background screen which would contain the visual intrusion and provide some visual context for the placing of buildings in a way which he finds acceptable. The Secretary of State notes this, but he prefers the evidence given at the inquiry to the effect that the shaft towers would dominate a wide area and that the surface developments would be alien in the Vale. He therefore believes that the proposals to develop a mine complex at Hose are unacceptable. At Asfordby and Saltby, he does not consider that the impact of the mine complexes would be sufficiently strong to warrant a refusal of permission on these grounds alone.

7. The Secretary of State fully accepts the Inspector's conclusion that tipping operations at Hose and Saltby, which would continue for upwards of half a century, would in visual terms be totally unacceptable and that noise would be a problem. So far as the final forms of these tips are concerned, the Inspector considered that the one at Saltby would be unacceptable but was not persuaded that the final form of the Hose tip would necessarily be unacceptable. The Secretary of State accepts the Inspector's conclusion on the Saltby tip but so far as Hose is concerned he agrees with the views of the Alliance that it would mar the contrast of the steep escarpment face with the sweep of the valley and would destroy one of the finest landscape features of Midland England. The Secretary of State therefore concludes that the final form of the tip at Hose would be equally unacceptable.

8. With regard to the tip at Asfordby, the Secretary of State accepts the Inspector's conclusions in relation to noise and visual impact but he is concerned with the impact of tipping operations on agriculture. Government policy for the protection of agricultural land, set out in Circular 75/76, is to ensure that as far as possible land of a higher agricultural quality is not taken for development where land of a lower quality is available and that the amount of land taken is no greater than is reasonably required for carrying out the development in accordance with proper standards. The Secretary of State in his consideration of the proposed development as a whole attaches more weight to this policy than does the Inspector.

9. The Secretary of State therefore concludes that the Board's proposals for tipping at Hose and Saltby are unacceptable as they stand. He is also concerned about the impact of tipping at Asfordby. He is of the opinion that before local tipping at any of the three sites could be contemplated the possibility of remote disposal of spoil, for example in Bedfordshire, should be explored in greater detail between all the bodies involved and, in addition, further research could usefully be undertaken into the question of underground disposal of waste, as mentioned by the Inspector.

NEED

10. The Inspector's view on need was that it is somewhat more likely than not that there will be a need for a supplement to indigenous deep-mine capacity at about the time the Belvoir coalfield could become fully operational. He took this view on the basis of his assessment of a number of factors (listed in paragraph 4.11.1 of his Report) and stated that he was unable to refine his opinion by suggesting the year in which the need would arise or the exact extent of that need. The Secretary of State accepts that the coal will be needed at some time in the future, but he is not convinced on the information at present before him that the degree of need demonstrated outweighs the adverse environmental effects considered in paras 5-9 above.

EMPLOYMENT

11. The Secretary of State notes that the National Coal Board drew attention to the fact that the opening of the Belvoir coalfield would afford an opportunity to employ mineworkers who would be made redundant by colliery closures in the South Nottinghamshire and South Midlands areas. He also notes the evidence presented by the NUM, also acting on behalf of the other mining unions. that the development of the Vale of Belvoir coalfield would ameliorate the effect of the impending colliery closures in the NW Leicestershire and South Nottinghamshire areas. Accordingly the Secretary of State has considered whether the development of the Vale of Belvoir can be justified on the grounds of the employment opportunities it will create for mineworkers. He has concluded that the very important benefits which would accrue from the provision of such employment will need to be considered in the light of any fresh applications that the NCB may wish to make, and which can be made within a timescale compatible with the employment requirements. Full account can then be taken of the balance between the environmental effects and the need for the development.

CONCLUSIONS

12. For the reasons set out in paragraphs 5 to 11 above the Secretary of State hereby refuses planning permission for the development of the Vale of Belvoir coalfield as set out in the planning applications recited at paragraph 1 above.

13. The Secretary of State fully accepts the need to ensure that the nation has adequate and secure sources of energy to meet prospective requirements and he notes that the Department of Energy argued at the inquiry that if the coal industry is competitive and based on efficient high productivity capacity, it will have an essential and increasing part to play in meeting our future needs for energy. He also accepts that the NCB might wish to submit new planning applications relating to revised proposals to exploit this massive national resource.

14. The Secretary of State considers that before any such applications are submitted the Board should examine whether, since the construction of a mine at Hose is environmentally unacceptable, they would wish to proceed to develop the coalfield with mines at Asfordby and Saltby or whether other environmentally acceptable sites could be found which would also meet the Board's operational requirements. In addition, the Board should investigate in detail possible ways of disposing of colliery waste other than local surface tipping. The Secretary of State will shortly be writing to propose discussions amongst those principally concerned (and in which the appropriate officials from this Department would participate) on how some of the present environmental problems associated with the development of this coalfield, particularly spoil disposal, can be overcome.

15. The Secretary of State has considered the point raised by the Inspector in paragraph 17.7.2 of his report relating to the granting of a partial permission. The Board submitted one application covering all of the underground coal extraction in Leicestershire together with the three mine complexes and the three tips, and they have thus opted to stand or fall on a strategy of developing the whole coalfield as one project. The Secretary of State takes the view that in these circumstances the granting of a permission for only part of the development would be in effect granting a permission for development which is significantly different in kind from the proposal which was the subject of the application. This may be a point which the Board would wish to bear in mind in future.

16. The Secretary of State acknowledges that it has taken a long time to determine this application since the Inspector's Report was received in November 1980. While it is his firm policy to ensure that planning applications and appeals are processed expeditiously, this case raised a number of complex issues which it was important to explore fully before any decision was taken.

17. Your attention is drawn to the attached memorandum relating to the provisions of section 245 of the Town and Country Planning Act 1971.

I am Sir
Your obedient Servant

Paul F Everall

P F EVERALL
Authorised by the Secretary of State
to sign in that behalf

CHAPTER 17: CONCLUSIONS AND RECOMMENDATIONS

17.1.1 In previous chapters of this Report I have set out my conclusions upon particular topics. I now draw my principal conclusions together and express my opinion on the matters which were before me. In forming my opinions I have considered my conclusions upon particular matters both individually and cumulatively.

17.2.1 I am of the opinion upon the evidence that it is somewhat more likely than not that there will be a need for a supplement to indigenous deep-mine capacity at about the time (1995) NELP could become fully operational (see para 4.11.2).

17.2.2 I cannot refine my opinion by suggesting the year in which the need will occur or that the need will be for (say) 5 Mta rather than 7.2 Mta (see para 4.11.2).

17.2.3 I am of the opinion that such need as there may be for more indigenous deep-mine capacity in the 1990s can be met only by the exploitation of NELP (see para 4.11.3).

17.3.1 I am of the opinion that there is neither a factor nor a combination of factors which has sufficient weight to justify withholding permission to mine NELP. In particular the likely severity of subsidence damage and the likely impact on agriculture are not reasons for a refusal of permission (see paras 6.16.1 and 8.4.4).

17.4.1 I am of the opinion that the 3 selected mine sites represent the best compromise between operational and environmental factors. The development of the 3 sites would be acceptable in visual terms (see para 9.8.10) and the operation of the sites would not have unacceptable consequences in terms of road and rail traffic (see paras 12.7.1 and 12.8.3), atmospheric pollution, dust, noise, vibration or water pollution (see chapter 13).

17.5.1 I am of the opinion that the manner in which NCB proposes to exploit NELP is a sensible one (see para 10.1.1).

17.6.1 I am of the opinion that the proposal to deposit spoil at Asfordby is acceptable. An agricultural objection cannot be justified in economic terms (see para 8.5.2); the noise impact would not be significant (see para 13.3.11), and there would be no visual objection (see para 9.11.10).

17.6.2 I am of the opinion that the construction of the tip proposed at Hose would in visual terms be totally unacceptable (see para 9.11.18). The construction could also give rise to a problem in regard to noise (see para 13.3.11) but this is not of itself a ground for a refusal of permission.

17.6.3 I am of the opinion that both the construction of the tip proposed at Saltby and the final form of that tip would in visual terms be totally unacceptable

(see para 9.11.23). The construction could also give rise to a problem in regard to noise (see para 13.3.11) but this is not of itself a ground for a refusal of permission.

17.6.4 In my opinion there is no inconsistency between my conclusion that it is somewhat more likely than not that there will be a need for NELP coal in the mid 1990s and my rejection of the 2 tips. Local tipping of spoil may be a traditional concomitant of deep mining (insofar as it produces spoil) but (unlike subsidence) it is not an inevitable concomitant of mining. The traditional solution should not be adopted at Hose and Saltby. If the rejection of the traditional solution means a delay in the winning of NELP coal or a reduction in the yield of NELP then I am of the opinion that the case on need is neither sufficiently definite in point of time nor strong enough in terms of quantity to warrant the environmental harm which would be caused by the 2 tips.

17.7.1 I recommend:

(i) Planning permission should be granted to mine NELP in accordance with the applications.

(ii) Outline planning permission should be granted to construct mines at Asfordby, Hose and Saltby.

(iii) Outline planning permission should be granted to construct a tip at Asfordby.

(iv) The permissions should be subject to the conditions which I have recommended in chapter 16.

(v) Permission should be refused for the construction of tips at Hose and Saltby.

17.7.2 If my recommendations are accepted then the method of giving effect to them is a matter for legal advice.[1]

Footnote:

1. See Kent CC v Secretary of State for the Environment (1976) 33 P&CR 70. The matter was discussed at 83/79/C-81/B and 84/6/H-7/A.

CONFIDENTIAL

VALE OF BELVOIR

PARLIAMENTARY STATEMENT BY THE SECRETARY OF STATE

With your permission, Mr Speaker, I should like to make a statement setting out my decision on the National Coal Board's planning applications to exploit what has become known as the Vale of Belvoir coalfield.

In August 1978, the Board submitted a planning application to Melton Borough Council for permission to work that part of the coalfield which lies under Leicestershire, to construct three mines at Hose, Saltby and Asfordby, and to tip spoil adjacent to these three sites. At the same time, applications were made to Rushcliffe Borough Council and South Kesteven District Council for permission to work those parts of the coalfield which lie under Nottinghamshire and Lincolnshire respectively. These applications were called in by my predecessor, the Rt. Hon. Member for Stepney and Poplar, in January 1979.

A public local inquiry was conducted on my behalf by Mr Michael Mann QC assisted by two assessors. I should like to record my gratitude to Mr Mann and his two colleagues for the way they conducted the inquiry and for the report, a copy of which I have placed in the Library together with a copy of my decision letter which is being issued today.

The Inspector recommended that planning permission should be granted for the development of the coalfield and the construction of all three mines, but that permission should be refused for the proposed spoil tip at Hose and Saltby.

I have carefully considered all of the issues in the Inspector's Report. I agree with the Inspector that the Board's proposals for tipping at Hose and Saltby are unacceptable as they stand; but in addition I am

concerned about tipping at Asfordby because of its impact on agriculture. I have concluded that before local tipping at any of the three sites could be contemplated the possibility of other methods of spoil disposal should be further examined.

I have also concluded that the development of a mine complex at the proposed Hose site is environmentally unacceptable. Mine buildings here on the scale proposed would dominate a wide area, and would be alien to the Vale.

The Inspector concluded that it was somewhat more likely than not that there will be a need to supplement indigenous deep-mine capacity at about the time the Belvoir coalfield could become fully operational, but he felt unable to refine his opinion by suggesting the year in which the need would arise or the exact extent of that need. I accept that the coal will be needed in the future, but I have had to weigh the degree of need demonstrated with the adverse environmental effects to which I have already referred.

I have also considered whether the development of this coalfield can be justified on the grounds of the employment opportunities it would create for mineworkers displaced by colliery closures in the North-West Leicestershire and South Nottinghamshire areas. I have concluded that the very important benefits which would accrue from the provision of such employment should be considered in the light of any fresh applications the Board may wish to make and in a timescale compatible with the employment requirements.

I have concluded that the need and employment arguments are not incompatible with the need to seek an alternative approach to the mining of this coalfield which gives more weight to the environmental objections, and I have therefore refused planning permission for the

development of the Vale of Belvoir coalfield as set out in the present planning applications. This decision should not be seen as in any way going against Government policy that the coal industry has an essential and increasing part to play in meeting this country's future needs for energy provided that it is competitive and based on efficient high productivity capacity. I accept that the Board might wish to submit new planning applications setting out revised proposals to exploit this massive national resource.

However, before doing so, I consider that the Board should re-examine how the coalfield can be worked to minimise environmental disturbance and how the colliery waste can be disposed of other than by local surface tipping. I recognise that this second point has ramifications going beyond the Board's interests, and I shall therefore be writing shortly to those principally concerned with a view to inviting discussions on how the spoil disposal problem can best be overcome. It is very important that these discussions should be pursued with vigour and brought to a conclusion as soon as possible. It is a matter for the Board as to when new planning applications are submitted, and, provided the major environmental objections can be overcome, I would not anticipate that the procedures for handling these would need to be unduly prolonged.

There is one other point to which I should like to refer. The Board submitted a single application covering all of the underground coal extraction in Leicestershire, together with the three mine complexes and the three tips, and they have thus opted to stand or fall on a strategy of developing the coalfield as one project. I take the view that, in these circumstances, the granting of a permission for only part of the development would be in effect granting a permission for development which is significantly different in kind from the proposal which was the subject of this application. Had it not been for this, and

had there been acceptable proposals for spoil disposal, I would have been minded to grant planning permission for mines at Asfordby and Saltby.

PERSONAL AND CONFIDENTIAL

SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ
01-211 6402

Prime Minister

A draft which pays much more regard to NCB/NUM sensitivities.

MCS 24/3

Mrs H F Ghosh
Private Secretary to the
Secretary of State for the
Environment
2 Marsham Street
London SW1

24 March 1982

Dear Helen,

My Secretary of State was grateful for your letter yesterday enclosing a copy of the draft statement on Belvoir.

He is very concerned to minimise the potential for adverse reactions from the NCB and NUM and has therefore suggested some amendments to the statement which are incorporated in the attached redraft. He very much hopes that your Secretary of State will be able to accept these amendments.

I am copying this letter to the Prime Minister and to the other recipients of yours.

Yours sincerely,

Janet Chadwick

JANET CHADWICK
Private Secretary

VALE OF BELVOIR

PARLIAMENTARY STATEMENT BY THE SECRETARY OF STATE

With your permission, Mr Speaker, I should like to make a statement setting out my decision on the National Coal Board's planning applications to exploit what has become known as the Vale of Belvoir coalfield.

In August 1978, the Board submitted a planning application to Melton Borough Council for permission to work that part of the coalfield which lies under Leicestershire, to construct three mines at Hose, Saltby and Asfordby, and to tip spoil adjacent to these three sites. At the same time, applications were made to Rushcliffe Borough Council and South Kesteven District Council for permission to work those parts of the coalfield which lie under Nottinghamshire and Lincolnshire respectively. These applications were called in by my predecessor, the Rt Hon Member for Stepney and Poplar, in January 1979.

A public local inquiry was conducted on my behalf by Mr Michael Mann QC assisted by two assessors. I should like to record my gratitude to Mr Mann and his two colleagues for the way they conducted the inquiry and for the report, a copy of which I have placed in the Library together with a copy of my decision letter which is being issued today.

The Inspector recommended that planning permission should be granted for the development of the coalfield and the construction of all three mines, but that permission should be refused for the proposed spoil tip at Hose and Saltby.

I have carefully considered all of the issues in the Inspector's Report. I agree with the Inspector that the Board's proposals for tipping at Hose and Saltby are unacceptable as they stand, but in addition I am concerned about tipping at Asfordby because of its impact on agriculture. I have concluded that before local tipping at any of the three sites could be contemplated the possibility of other methods of spoil disposal should be further examined.

The Inspector concluded that it was somewhat more likely than not that there will be a need to supplement indigenous deep-mine capacity at about the time the Belvoir coalfield could become fully operational. I accept that the coal will be needed in the future, but I have had to weigh this against the adverse environmental effects to which I have already referred.

I have also considered whether the development of this coalfield immediately can be justified on the grounds of the very important benefits from the employment opportunities which would be created for mineworkers displaced by colliery closures in the North-West Leicestershire and South Nottinghamshire areas.

I have concluded that the development of a mine complex at the proposed Hose site is environmentally unacceptable. Mine buildings here on the scale proposed would dominate a wide area, and would be alien to the Vale. The Board submitted one application covering all of the undergound coal extraction in Leicestershire together with the three mine complexes and the three tips, and they have thus opted to stand or fall on a strategy of developing the whole coalfield as one project. In these circumstances the granting of a permission for only part of the development would be in effect granting a permission for development which is significantly different in kind from the proposal which was the subject of the application.

I have also concluded that the need and employment arguments are fully compatible with seeking an alternative approach to the exploitation of this massive national resource which gives more weight to the environmental objections. I consider that the Board should re-examine how the coalfield can be worked to minimise environmental disturbance and possible ways of disposing of colliery waste other than by local surface tipping. I recognise that this second point has ramifications going beyond the Board's interests, and I shall therefore be writing shortly to those principally concerned with a view to inviting them to early discussions on how the spoil disposal problem might be overcome.

I have therefore refused planning permission for the development of the Vale of Belvoir coalfield as set out in the present planning applications. This decision should not be seen as in any way going against Government policy that the coal industry has an essential and increasing part to play in meeting this country's future needs for energy provided that it is competitive and based on efficient high productivity capacity. I accept that the Board will no doubt wish to submit new planning applications setting out revised proposals to exploit this massive national resource, which would either involve renewed applications for mines at Asfordby and Saltby or other environmentally acceptable sites which would meet the Board's operational requirements.

FT last year - minute from H saying he would turn it down.

H - turning down application but can re-apply for re-consideration

BELVOIR - POINTS TO BE MADE

1. This represents acceptance that Belvoir will be developed - and provides route to planning permission.

2. In essence what it adds up to is not whether to mine but how to do so in an environmentally acceptable way.

3. Of the 3 proposed mines only Hose is actually in the Vale; Asfordby and Saltby are not.

4. Mr Heseltine has found only the mine and tip at Hose and the tip at Saltby objectionable.

5. Way is now clear for NCB to re-apply for Asfordby and/or Saltby straight away; in practice likely to try to sort our environmental problems first.

6. Leicestershire County Council will decide on any new applications for Asfordby and Saltby; and LCC now in favour of developing coalfield. Could only be a new inquiry if Mr Heseltine called in such applications (and not likely to) or if County Council reject them and NCB appeal.

B. INGHAM

24 March1982

Energy

Prime Minister

VALE OF BELVOIR

1. I saw Nigel Lawson yesterday, and he has agreed with Michael Heseltine the text of the attached letter, which is to be sent to the National Coal Board.

2. Michael Heseltine's present intention is that this letter should be dispatched, and made public, on Thursday, 25th March (polling day in the Hillhead By-Election).

3. Michael Heseltine has asked whether you would like a copy of the attached letter to be sent, in advance, to Ministers in addition to the Home Secretary, the Leader of the House, The Secretary of State for Energy, and the Chief Whip; for example, should a copy of the letter be sent, in advance, to the Secretary of State for Industry and the Minister of Agriculture, both of whom are affected?

4. The next question which a decision is required on, is whether Michael Heseltine should make an oral statement in the House about this. Initially, my view was that it would not be appropriate for an oral statement to be made, but that the matter should be dealt with in the normal way, by the Secretary of State writing to the parties concerned, informing them of his decision.

5. However, Michael Heseltine and Nigel both feel that because of the exceptional importance of this matter, there ought to be an oral statement, and Francis Pym is content about this. INDEED, FRANCIS THINKS THAT THERE OUGHT TO BE AN ORAL STATEMENT

6. Michael Heseltine is preparing, over theweekend, a draft Statement which he would make on Thursday if you were to decide that a Statement in Parliament was desirable.

7. A copy of that draft will be ready on Monday.

19th March 1982

IAN GOW

CONFIDENTIAL

Department of the Environment
2 Marsham Street London SW1P 3EB

Direct line 01-212
Switchboard 01-212 3434

Draft as at 19/3/82

The Secretary
National Coal Board
Hobart House
Grosvenor Place
LONDON
SW1X 7AE

Your reference

Our reference
M/183/21

Date
March 1982

Sir

TOWN AND COUNTRY PLANNING ACT 1971

APPLICATIONS BY THE NATIONAL COAL BOARD IN RESPECT OF THE VALE OF BELVOIR

1. I am directed by the Secretary of State for the Environment to refer to the National Coal Board's applications to:-

a. the Melton Borough Council for:-

i. planning permission for the winning and working by underground methods of coal situated within such parts of the seams described below as are within the Melton District, and the execution underground of such works as are requisite or convenient for that purpose, and for the carrying out of building and engineering operations including the deposit of spoil for the purposes of the underground mining and the development described in ii. below;

ii. planning permission for the erection of buildings relating to the winning and working of coal by underground methods at the sites of 3 mines on the land shown bounded by a red line on Plans Nos. 6, 7 and 8 in the Supplementary Statement accompanying the application;

b. the Rushcliffe Borough Council for planning permission for the winning and working by underground methods of coal lying within such parts of the seams described below as are within the Rushcliffe District, and the execution underground of such works as are requisite or convenient for the purposes of such winning and working;

c. the South Kesteven District Council for planning permission for the winning and working by underground methods of coal lying within such parts of the seams described below as are within the South Kesteven District, and the execution underground of such works as are requisite or convenient for the purposes of such winning and working.

The seams to which the applications referred to in Paragraphs a.i, b and c above relate are the Top Bright (including the Cinderhill main leaf of the Top Bright), Dunsil/Waterloo, Deep Main, Parkgate and Blackshale seams lying within the area of land shown edged and coloured red in Plan No. 1 in the Supplementary Statement accompanying each of these applications.

CONFIDENTIAL

2. I am also to refer to the Secretary of State's direction of 23 January 1979, given in pursuance of section 35 of the Town and Country Planning Act 1971, that the applications be referred to him for decision instead of being dealt with by the local planning authorities.

3. I am further directed by the Secretary of State to refer to the public inquiry conducted by his Inspector, Mr Michael Mann QC, on 30 October 1979 to 2 May 1980 at which the Inspector was accompanied by 2 assessors, Mr R K Taylor MSC PhD CEng FIMM FGS and Mr S W Midwinter RIBA FRTPI. A copy of the Inspector's Report is enclosed. The Inspector's principal conclusions and his recommendations are set out in Chapter 17 of his report and are reproduced at Annex 1 to this letter.

4. The Inspector recommended that:-

i. planning permission should be granted to mine the Vale of Belvoir coalfield in accordance with the applications;

ii. outline planning permission should be granted to construct mines at Asfordby, Hose and Saltby;

iii. outline planning permission should be granted to construct a tip at Asfordby;

iv. the permissions should be subject to the conditions recommended in Chapter 16 of his report;

v. permission should be refused for the construction of tips at Hose and Saltby.

ENVIRONMENTAL EFFECTS

5. The Secretary of State has carefully considered all of the issues in the Inspector's report, and notes his conclusions. He agrees with the view expressed at the inquiry and endorsed by the Inspector that visually the area proposed to be mined is important in regional terms, although not outstanding in national terms; and he accepts the point made in evidence by the Countryside Commission that the East Midlands is not well endowed with areas of attractive countryside and that this factor increases the value and importance of the Vale of Belvoir. He endorses the Inspector's assessment that the attractive eastern parts of the area reach the quality generally expected to be found in a national park and that the escarpment crowned with the Harby Woods is also a feature of considerable attraction.

6. It appears to the Secretary of State that the main impact of the proposed development, particularly from the visual standpoint, would result from the mine buildings and the three spoil tips. He notes the Inspector's view that there is no reason in principle why the mine buildings should not become acceptable visual elements in their proposed settings and that there would be no serious or widespread damaging effect on the area as a whole. He does not accept that view. As the Inspector says, the buildings would incorporate structures equivalent to 17-19 storey tower blocks which could not be effectively screened from many places, and therefore they would be visible over wide areas. This is particularly true of the Hose complex as the Inspector himself notes in Paragraph 9.8.10 of his report. The Inspector goes on to say that the escarpment provides a suitable background screen which would contain the visual intrusion and provide some visual context for the placing of buildings in a way which he finds acceptable. The Secretary of State notes this, but he prefers the evidence given at the inquiry to the effect that the shaft towers would dominate a wide area and that the surface developments would be alien in the Vale. He therefore believes that the proposals to develop a mine complex at Hose are unacceptable. At Asfordby and Saltby, he does not consider that the impact of the mine complexes would be sufficiently strong to warrant a refusal of permission on these grounds alone.

The Secretary of State fully accepts the Inspector's conclusion that tipping operations at Hose and Saltby, which would continue for upwards of half a century, would in visual terms be totally unacceptable and that noise would be a problem. So far as the final forms of these tips are concerned, the Inspector considered that the one at Saltby would be unacceptable but was not persuaded that the final form of the Hose tip would necessarily be unacceptable. The Secretary of State accepts the Inspector's conclusion on the Saltby tip but so far as Hose is concerned he agrees with the views of the Alliance that it would mar the contrast of the steep escarpment face with the sweep of the valley and would destroy one of the finest landscape features of Midland England. The Secretary of State therefore concludes that the final form of the tip at Hose would be equally unacceptable.

8. With regard to the tip at Asfordby, the Secretary of State accepts the Inspector's conclusions in relation to noise and visual impact but he is concerned with the impact of tipping operations on agriculture. Government policy for the protection of agricultural land, set out in Circular 75/76, is to ensure that as far as possible land of a higher agricultural quality is not taken for development where land of a lower quality is available and that the amount of land taken is no greater than is reasonably required for carrying out the development in accordance with proper standards. The Secretary of State in his consideration of the proposed development as a whole attaches more weight to this policy than does the Inspector.

9. The Secretary of State therefore concludes that the Board's proposals for tipping at Hose and Saltby are unacceptable as they stand. He is also concerned about the impact of tipping at Asfordby. He is of the opinion that before local tipping at any of the three sites could be contemplated the possibility of remote disposal of spoil, for example in Bedfordshire, should be explored in greater detail between all the bodies involved and, in addition, further research could usefully be undertaken into the question of underground disposal of waste, as mentioned by the Inspector.

NEED

10. The Inspector's view on need was that it is somewhat more likely than not that there will be a need for a supplement to indigenous deep-mine capacity at about the time the Belvoir coalfield could become fully operational. He took this view on the basis of his assessment of a number of factors (listed in paragraph 4.11.1 of his Report) and stated that he was unable to refine his opinion by suggesting the year in which the need would arise or the exact extent of that need. The Secretary of State accepts that the coal will be needed at some time in the future, but he is not convinced on the information at present before him that the degree of need demonstrated outweighs the adverse environmental effects considered in paras 5-9 above.

EMPLOYMENT

11. The Secretary of State notes that the National Coal Board drew attention to ~~a need~~ to employ mineworkers who would be made redundant by colliery closures in the South Nottinghamshire and South Midlands areas. He also notes the evidence presented by the NUM, also acting on behalf of the other mining unions, that the development of the Vale of Belvoir coalfield would ameliorate the effect of the impending colliery closures in the NW Leicestershire and South Nottinghamshire areas. Accordingly the Secretary of State has considered whether the development of the Vale of Belvoir can be justified on the grounds of the employment opportunities it will create for mineworkers. He has concluded that the very important benefits which would accrue from the provision of such employment will need to be considered in the light of any fresh applications that the NCB may wish to make, and which can be made within a timescale compatible with the employment requirements. Full account can then be taken of the balance between the environmental effects and the need for the development.

the fact that the ~~opportunity~~ opening of the Belvoir coalfield would afford an opportunity

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USIONS

. For the reasons set out in paragraphs 5 to 11 above the Secretary of State hereby refuses planning permission for the development of the Vale of Belvoir coalfield as set out in the planning applications recited at paragraph 1 above.

13. The Secretary of State fully accepts the need to ensure that the nation has adequate and secure sources of energy to meet prospective requirements and he notes that the Department of Energy argued at the inquiry that if the coal industry is competitive and based on efficient high productivity capacity, it will have an essential and increasing part to play in meeting our future needs for energy. He also accepts that, the NCB might wish to submit new planning applications relating to revised proposals to exploit this massive national resource.

14. The Secretary of State considers that before any such applications are submitted the Board should consider whether, since the construction of a mine at Hose is environmentally unacceptable, they would wish to proceed to develop the coalfield with mines at Asfordby and Saltby or whether other environmentally acceptable sites could be found which would also meet the Board's operational requirements. In addition, the Board should investigate in detail possible ways of disposing of colliery waste other than local surface tipping. The Secretary of State will shortly be writing to propose discussions amongst those principally concerned (and in which the appropriate officials from this Department would participate) on how some of the present environmental problems associated with the development of this coalfield, particularly spoil disposal, can be overcome.

15. The Secretary of State has considered the point raised by the Inspector in paragraph 17.7.2 of his report relating to the granting of a partial permission. The Board submitted one application covering all of the underground coal extraction in Leicestershire together with the three mine complexes and the three tips, and they have thus opted to stand or fall on a strategy of developing the whole coalfield as one project. The Secretary of State takes the view that in these circumstances the granting of a permission for only part of the development would be in effect granting a permission for development which is significantly different in kind from the proposal which was the subject of the application. This may be a point which the Board would wish to bear in mind in future.

16. The Secretary of State acknowledges that it has taken a long time to determine this application since the Inspector's Report was received in November 1980. While it is his firm policy to ensure that planning applications and appeals are processed expeditiously, this case raised a number of complex issues which it was important to explore fully before any decision was taken.

17. Your attention is drawn to the attached memorandum relating to the provisions of section 245 of the Town and Country Planning Act 1971.

I am Sir
Your obedient Servant

P F EVERALL
Authorised by the Secretary of State
to sign in that behalf

CONFIDENTIAL

CHAPTER 17: CONCLUSIONS AND RECOMMENDATIONS

17.1.1 In previous chapters of this Report I have set out my conclusions upon particular topics. I now draw my principal conclusions together and express my opinion on the matters which were before me. In forming my opinions I have considered my conclusions upon particular matters both individually and cumulatively.

17.2.1 I am of the opinion upon the evidence that it is somewhat more likely than not that there will be a need for a supplement to indigenous deep-mine capacity at about the time (1995) NELP could become fully operational (see para 4.11.2).

17.2.2 I cannot refine my opinion by suggesting the year in which the need will occur or that the need will be for (say) 5 Mta rather than 7.2 Mta (see para 4.11.2).

17.2.3 I am of the opinion that such need as there may be for more indigenous deep-mine capacity in the 1990s can be met only by the exploitation of NELP (see para 4.11.3).

17.3.1 I am of the opinion that there is neither a factor nor a combination of factors which has sufficient weight to justify withholding permission to mine NELP. In particular the likely severity of subsidence damage and the likely impact on agriculture are not reasons for a refusal of permission (see paras 6.16.1 and 8.4.4).

17.4.1 I am of the opinion that the 3 selected mine sites represent the best compromise between operational and environmental factors. The development of the 3 sites would be acceptable in visual terms (see para 9.8.10) and the operation of the sites would not have unacceptable consequences in terms of road and rail traffic (see paras 12.7.1 and 12.8.3), atmospheric pollution, dust, noise, vibration or water pollution (see chapter 13).

17.5.1 I am of the opinion that the manner in which NCB proposes to exploit NELP is a sensible one (see para 10.1.1).

17.6.1 I am of the opinion that the proposal to deposit spoil at Asfordby is acceptable. An agricultural objection cannot be justified in economic terms (see para 8.5.2); the noise impact would not be significant (see para 13.3.11), and there would be no visual objection (see para 9.11.10).

17.6.2 I am of the opinion that the construction of the tip proposed at Hose would in visual terms be totally unacceptable (see para 9.11.18). The construction could also give rise to a problem in regard to noise (see para 13.3.11) but this is not of itself a ground for a refusal of permission.

17.6.3 I am of the opinion that both the construction of the tip proposed at Saltby and the final form of that tip would in visual terms be totally unacceptable

(see para 9.11.23). The construction could also give rise to a problem in regard to noise (see para 13.3.11) but this is not of itself a ground for a refusal of permission.

17.6.4 In my opinion there is no inconsistency between my conclusion that it is somewhat more likely than not that there will be a need for NELP coal in the mid 1990s and my rejection of the 2 tips. Local tipping of spoil may be a traditional concomitant of deep mining (insofar as it produces spoil) but (unlike subsidence) it is not an inevitable concomitant of mining. The traditional solution should not be adopted at Hose and Saltby. If the rejection of the traditional solution means a delay in the winning of NELP coal or a reduction in the yield of NELP then I am of the opinion that the case on need is neither sufficiently definite in point of time nor strong enough in terms of quantity to warrant the environmental harm which would be caused by the 2 tips.

17.7.1 I recommend:

(i) Planning permission should be granted to mine NELP in accordance with the applications.

(ii) Outline planning permission should be granted to construct mines at Asfordby, Hose and Saltby.

(iii) Outline planning permission should be granted to construct a tip at Asfordby.

(iv) The permissions should be subject to the conditions which I have recommended in chapter 16.

(v) Permission should be refused for the construction of tips at Hose and Saltby.

17.7.2 If my recommendations are accepted then the method of giving effect to them is a matter for legal advice.[1]

Footnote:

1. See Kent CC v Secretary of State for the Environment (1976) 33 P&CR 70. The matter was discussed at 83/79/C-81/B and 84/6/H-7/A.

Prime Minister (2)

MCS 9/3

Energy

NATIONAL UNION OF MINEWORKERS

222 EUSTON ROAD, LONDON, NW1 2BX

President J. GORMLEY, O.B.E. *Secretary* L. DALY

Telephone 01-387 7631

Please quote our reference in reply:

Your Ref:

Our Ref: JG/RE 5th March 1982

The Rt Hon Margaret Thatcher MP
Prime Minister
10 Downing Street
LONDON
SW1

Dear Mrs. Thatcher,

Thank you for your letter of the 3rd March regarding the Vale of Belvoir, and I note the contents therein.

Yours sincerely,

Joe Gormley

J. GORMLEY
President

file

VB

cc D/N
DOE

Energy

10 DOWNING STREET

THE PRIME MINISTER

3 March 1982

Dear Mr. Gormley,

Thank you for your letter of 29 January about the Vale of Belvoir coalfield.

I fully understand your concern about the time it is taking to reach a decision on the National Coal Board's planning applications, and I am well aware of the importance to your members in Leicestershire and South Nottinghamshire of creating new jobs.

However, the Belvoir case really is very complex, and it is important that all the implications of the inquiry inspector's recommendations are fully studied. I know that Michael Heseltine, who has statutory responsibility for the decision, has himself devoted much time to this issue and is continuing to do so. Indeed, I understand he wrote to you recently about it. I do assure you that everything possible is being done to bring matters to a speedy conclusion.

Kind regards.

Yours sincerely

Margaret Thatcher

J. Gormley, Esq., O.B.E.

PB

cc IAD
JV
Energy

2 MARSHAM STREET
LONDON SW1P 3EB

My ref: H/PSO/11304/82

Your ref:

1 March 1982

Dear ~~Willie~~ Myre, WR 1/3

Thank you for your letter of 15 February enclosing a copy of one of 29 January to the Prime Minister from Mr Joe Gormley, President of the NUM, about the NCB's plans to develop the Vale of Belvoir coalfield.

I attach a draft reply for the Prime Minister to send to Mr Gormley. He wrote on the same date to Michael Heseltine, and I attach copies of that letter and our reply. We have not felt it necessary to consult other Departments as officials at the Department of Energy are aware of the state of play. However, a copy of this reply goes to Julian West there.

Yours,

Helen Ghosh

MRS H F GHOSH
Private Secretary

Willie Rickett Esq

H/PSO/11304/82

DRAFT REPLY FOR PM TO SEND TO MR GORMLEY

Thank you for your letter of 29 January about the Vale of Belvoir coalfield.

I fully understand your concern about the time it is taking to reach a decision on the National Coal Board's planning applications, and I am well aware of the importance to your members in Leicestershire and South Nottinghamshire of creating new jobs ~~at the present time~~. However, the Belvoir case really is very complex, and it is important that all the implications of the inquiry inspector's recommendations are fully studied. I know that Michael Heseltine, who has statutory responsibility for the decision, has himself devoted much time to this issue and is continuing to do so. Indeed, I understand he wrote to you recently about it. ~~I do therefore assure you that~~ I do assure you that everything possible is being done to bring matters to a speedy conclusion.

2 MARSHAM STREET
LONDON SW1P 3EB

My ref: H/PSO/10847/82
Your ref: Everall.

26 February 1982

Dear Lord

Thank you for your letter of 29 January about exploitation of the coal reserves in the Vale of Belvoir.

I do appreciate the importance to the coal industry of my decision on the National Coal Board's planning applications to mine this coal, and I am very aware both of the rundown of reserves at the existing Leicestershire pits and the employment consequences. Indeed, these are among the many issues to be studied which arise out of the inquiry Inspector's report. I do assure you that I am giving active consideration to this case, and I hope it will be possible to announce a decision in the not too distant future.

Yours ever

MICHAEL HESELTINE

NUM.

cc Alan - See you?
Kay 22/2

Energy
vb
1/3

Joe GORMLEY

15 February 1982

I enclose a letter to the Prime Minister from Mr. Gormley, President of the NUM, urging an early positive decision on the development of the North East Leicestershire coal field.

I should be grateful if you could provide a suitable draft reply for the Prime Minister to send to Mr. Gormley, to reach me by Monday 1 March, consulting other Departments as necessary.

I am copying this letter to Julian West (Department of Energy).

(SGD) W.F.S. RICKETT

Jeff Jacobs, Esq.,
Department of the Environment.

PRIME MINISTER

I believe Mike may have mentioned to you the attached letter from Joe Gormley urging an early decision on Belvoir.

Content for me to commission a draft from Mr. Heseltine and Mr. Lawson?

WFSR

Yes mt

11 February 1982

GR / for your file. No!

GR 22/2

Kay

Please return to CF. for filing & follow up at a later date

Thanks

22/2

10 DOWNING STREET

PRIME MINISTER

Joe Gormley writes a "Private and Confidential" letter, pressing for an early positive decision on the Vale of Belvoir plans.

Should we consult Mr. Lawson and Mr. Heseltine on a draft reply? Yes

MT

Found

MT

1 February 1982

SW

Energy

10 DOWNING STREET

THE PRIME MINISTER

1 February, 1982.

Dear Mr. Murray,

Thank you for your letter of 4 January.

I note what you say about the importance you attach to investment in modernisation as contributing to the development of an efficient and competitive coal industry. On the particular question of Belvoir, however, I have nothing at present to add to what I said to you in my letter of 12 October.

Yours sincerely,

(SGD) MT

The Rt. Hon. Lionel Murray, O.B.E.

LD.

JR

1 February 1982

I am writing on behalf of the Prime Minister to thank you for your letter of 29 January. This is receiving attention and a reply will be sent to you as soon as possible.

MAP

J. Gormley, Esq., OBE.

ds

NATIONAL UNION OF MINEWORKERS

222 EUSTON ROAD, LONDON, NW1 2BX

President J. GORMLEY, O.B.E. *Secretary* L. DALY

Telephone 01-387 7631

Please quote our reference in reply:

Your Ref:

Our Ref: *JG/RE* *29th January 1982*

Private and Confidential

The Rt Hon Margaret Thatcher MP
Prime Minister
10 Downing Street
LONDON SW1

Dear Prime Minister,

Vale of Belvoir

The plans of the Coal Board to exploit the coal measures which are known to exist in the Vale of Belvoir was the subject of a public inquiry which was completed in May 1980 and was referred to the Secretary of State for the Environment for his consideration, and we keep hearing many rumours about the progress of this matter. I would have thought by now people would have realised that it was in the interest of continuity towards fulfilling the Plan for Coal which was accepted by all the political parties in Britain that the National Coal Board's plans to extract the coal in this area would have been acceptable, and as President of the NUM I am a little alarmed at the seeming reluctance to accept what I know is the feeling of many experts that this area of coal ought to be exploited.

Time is running short for the men employed in the Leicestershire area and who, along with their South Nottinghamshire people, would be the miners who would have to exploit these coal measures. These men have proved themselves over the years to be first class miners, and also have shown their moderation at all times. I think the recent Ballot vote has shown their desire to make the Coal Industry the best possible Coal Industry in the interests not only of their own Industry, but for Britain's sake as well.

2/.. *I would*

I would hope, therefore, Prime Minister that you would use your personal endeavour to get this matter clarified in a positive way in order that work could be started as soon as possible because you have to realise that a 'yes' decision made tomorrow would not be providing coal for the next eight or nine years and money for the project, of course, would have to be spread over the same nine or ten years, but it would be providing jobs of high importance for the future and could create, in my opinion, a great deal of goodwill.

Let us, therefore, hope that you will give this matter your deepest consideration and that we have an early reply.

Yours sincerely,

Joe Gormley

JOE GORMLEY
President

P.S. Please do not forget that I retire in two months' time.

Telephone
01-2[illegible] 8001

DEPARTMENT OF THE
ENVIRONMENT
2 MARSHAM STREET
SW1P 3EB

With the Compliments of the

Secretary of State for the Environment

To be associated with Mrs Gholds letter of 1/3/82

S of S to see

ADW for S of S

5

NATIONAL UNION OF MINEWORKERS

222 EUSTON ROAD, LONDON, NW1 2BX

Mr Evans

President J. GORMLEY, O.B.E.

Secretary L. DALY

Telephone 01-387 7631

cc PS/Mr King
PS/Mr Clark
Sir Wilfred Burns
Mr Weald

Please quote our reference in reply:

Your Ref: H/PSO/15670/81

Our Ref: JG/RE

29th January 1982

The Rt Hon Michael Heseltine MP
Secretary of State for the Environment
2 Marsham Street
LONDON
SW1P 3RB

Dear Michael,

The saga of the Vale of Belvoir and the exploitation of coal reserves in that area is reaching a critical phase as the mines in the Leicestershire area grow daily to nearly a point of exhaustion. Unless there is an early decision made in a positive way for fulfilling the Coal Board's plans to exploit the coal in the Vale of Belvoir area, the country will lose the services of an exceptional workforce of miners who have proved over the years their skill and enthusiasm to produce coal and to exert moderation as has recently been shown in the recent Ballot on wages.

We believe that this matter has been dealt with long enough and that an early decision should be made in the interests of not only the miners and their families in that area, but for the Coal Industry itself and the country's supply of energy in the future years ahead. It is seven months since I last wrote to you on the matter and having already had the public inquiry report with you for months before that, I would have thought that an early positive decision was called for and on behalf of the NUM, I am asking that you make a positive decision by approving the plans of the Coal Board so that they can start getting on with providing jobs which will be of great value in the future.

Awaiting an early positive reply,

I am,

Yours sincerely,

for Joe Gormley

JOE GORMLEY
President

Energy

Andrew Duguid / JV

Comments?

MCS 15/1

SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ

01-211 6402

Michael Scholar
Private Secretary to the Prime Minister
10 Downing Street
London SW1

14 January 1982

Dear Michael

As requested in your letter of 8 January, I enclose a draft reply for the Prime Minister to send to Mr Len Murray.

Yours ever

David Lumley

DAVID LUMLEY
Private Secretary

DRAFT REPLY TO RT HON LIONEL MURRAY OBE

Thank you for your letter of 4 January.

I note what you say about the importance you attach to investment in modernisation as contributing to the development of an efficient and competitive coal industry. On the particular question of Belvoir, however, I have nothing at present to add to what I said to you in my letter of 12 October.

Energy

10 DOWNING STREET

From the Private Secretary

8 January, 1982

I attach a letter from Mr. Len Murray about the Vale of Belvoir coalfield. We have acknowledged the letter.

I would be grateful if you would let me have a draft reply by Friday, 22 January.

I am sending a copy of this letter to David Edmonds (Department of the Environment), Terry Matthews (Chief Secretary's Office, Treasury) and Gerry Spence (CPRS).

M. C. SCHOLAR

Dr. David Lumley,
Department of Energy

FILE SAU

10 DOWNING STREET

From the Private Secretary

8 January, 1982

I am writing on the Prime Minister's behalf to thank you for your letter of 4 January about the Vale of Belvoir coalfield, which I am placing before the Prime Minister. A reply will be sent to you as soon as possible.

M. C. SCHOLAR

The Rt. Hon. Lionel Murray, O.B.E.

TRADES UNION CONGRESS

CONGRESS HOUSE · GREAT RUSSELL STREET · LONDON WC1B 3LS

Telephone 01-636 4030 *Telegrams* TRADUNIC LONDON WC1

cc AD
JV

(2)

Prime Minister

I will let you have a draft reply.
MCS 8/1

YOUR REFERENCE

OUR REFERENCE LM/BC/DT/BJC

DEPARTMENT Economic

Rt Hon Margaret Thatcher MP
Prime Minister
10 Downing Street
LONDON
SW1

January 4 1982

6

Dear Prime Minister

PPS

Vale of Belvoir Coalfield

The TUC Fuel and Power Industries Committee have considered your letter of October 12 in reply to my letter of August 27 about the Vale of Belvoir Coalfield. They have asked me to let you know their concern about the delay to the Government's announcement about the Vale of Belvoir Coalfield.

As you state, the Government wants an efficient and competitive coal industry. The TUC believes that the development of new capacity is fundamental to the achievement of the aim. The Department of the Environment has been considering the Belvoir decision for many months. This delay is extremely damaging and appears indefensible to the people working in the industry.

Yours sincerely

Lionel Murray

General Secretary

FILE cc D. Energy VB

Energy

CF

10 DOWNING STREET

THE PRIME MINISTER

12 October 1981

Dear Mr Murray

Thank you for your letter of 27 August.

The report of the Inspector who conducted the Inquiry into the NCB's proposals for mining coal in the Vale of Belvoir is currently being considered by Michael Heseltine. I hope a decision can be announced before long. I am sorry that I cannot say anything more at present, but I am sure you understand the reasons for this.

On the wider issues raised in your letter, the Government continues to believe that an efficent and competitive coal industry can play an important role in meeting the country's future energy needs.

(SGD) MARGARET THATCHER

The Right Honourable Lionel Murray, O.B.E.

RH

Energy

SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ

01-211-6402

Mr Pattison
Private Secretary to the Prime Minister
10 Downing Street
London SW1

29 September 1981

Dear Mike

Your letter of 1 September to Julian West asked for a draft letter for the Prime Minister to send to the TUC in response to Len Murray's letter of 27 August. A draft is enclosed. My apologies for the delay.

Yours ever

David Lumley

DAVID LUMLEY
Private Secretary

Enc

DRAFT LETTER TO RT HON LIONEL MURRAY

BELVOIR COALFIELD

Thank you for your letter of 27 August.

The report of the Inspector who conducted the Inquiry into the NCB's proposals for mining coal in the Vale of Belvoir is currently being considered by Michael Heseltine. I hope a decision can be announced before long. I am sorry that I cannot say anything more at present, but I am sure you understand the reasons for this.

On the wider issues raised in your letter, the government continues to believe that an efficient and competitive coal industry can play an important role in meeting the country's future energy needs.

CONFIDENTIAL

Subject
amdt

File

bc Mr Ingham
" Wolfson
" Duguid
" Vereker

10 DOWNING STREET

From the Private Secretary

17 September 1981

The Prime Minister held a meeting this morning to discuss the Vale of Belvoir coalfield decision. Your Secretary of State had minuted the Prime Minister on this matter on 11 September, and the Secretary of State for Energy had commented in a minute dated 16 September. The following were present in addition to your Secretary of State: the Home Secretary, Chief Secretary, Secretary of State for Energy, Attorney-General, Sir Robert Armstrong and Mr. Robin Ibbs.

The Attorney General explained that the Secretary of State's decision on the Vale of Belvoir planning application was of a quasi-judicial nature and therefore ultimately had to be his own and nobody else's. But in reaching his decision, he was free to consult his colleagues provided he complied wtih the procedure rules and the rules of natural justice. However, if he was to take into consideration "new evidence", or "new issues of fact" which were not raised at the inquiry, he would have to re-open it if any party so wished.

The Secretary of State for the Environment said that, in view of the complexity of the issues and other pressing business, he had concluded that he was not yet in a position to reach a final decision on the application. He was unlikely to be able to do so until December; in the meantime, he would be happy to take into consideration the views of colleagues on the basis indicated by the Attorney General.

D/F

I am sending copies of this letter to John Halliday (Home Office), Terry Mathews (Chief Secretary's Office, HMT), Julian West (Department of Energy), Jim Nursaw (Law Officers' Department), David Wright (Cabinet Office) and Gerry Spence (CPRS).

TPL

David Edmonds, Esq.,
Department of the Environment.

CONFIDENTIAL

Energy

PRIME MINISTER

VALE OF BELVOIR COALFIELD

In his minute of 11 September, Michael Heseltine argues that the NCB's planning applications for the Vale of Belvoir Project should be turned down, and that an announcement should be made before the end of the recess. I do not agree either that the planning arguments justify turning Belvoir down, or that a decision either for or against Belvoir should be taken yet, let alone announced.

Economic Policy Considerations

The prospects for manufacturing industry in the 1990s and 2000 will be influenced significantly by our achieving competitive and unsubsidised electricity prices. This major policy objective is dependent on our both introducing nuclear capacity as quickly as possible - which we are already doing - and developing low-cost high-productivity coal fields such as Selby and Belvoir. As nuclear power is now likely to provide only 20 to 25 GW to the grid in 2000 rather than the earlier estimate of 40 GW, the contribution low-cost high-productivity coal can make towards achieving competitive energy prices will be all the more important.

Belvoir is the largest unworked coalfield in Western Europe. The NCB's assessment is that Belvoir could give us:-

- coal at the pithead at £25 per tonne in present day money compared to UK port prices of £38-44 per tonne for imported US and Australian coal (and this at a time when European coal stocks are high);

- productivity of 9.3 tonnes per manshift, 4 times the NCB's current average;

If the applications to mine Belvoir had come from a private company, we would have needed the most pressing environmental reasons for turning them down. The fact that the applications come from a loss-making nationalised industry should not alter the planning decision, though clearly any subsequent investment decision must be considered in the light of the coal industry's overall prospects.

The Planning Issues

The Inspector recommended in favour of the NCBs application. I see no case for overturning this conclusion. Detailed examination of the Inspector's report (upon which the planning decision must be based) does not bear out Michael Heseltine's conclusion that the Inspector accepted only hesitantly a short term need for Belvoir coal, or that there are powerful environmental reasons for turning Belvoir down. I would be happy to circulate a note for later discussion setting out in detail my reasons for differing with him on this point. I am prepared to accept his recommendations on remote disposal.

Wider Considerations

The additional considerations mentioned on page 6 of his minute do not add up to a case against Belvoir. The accelerated pit closure programme, which was withdrawn in February, would have brought forward closures which would have happened anyway later in this decade. Its withdrawal will have little if any effect on capacity in the mid 1990s. It is simply not true that imports will be cheaper than Belvoir coal. Even now the average cost of NCB coal is lower than the price of imports except at Thameside, even allowing for the operating subsidies we give the Board (and the cost of Belvoir coal will be less than average NCB costs). Nor is the present level of stocks of much relevance to the situation in the 1990's; the figure of 39m tonnes, incidentally, includes 16m tonnes of stocks at power stations, which are still below their 1978 levels, and which we are trying to increase.

The long-term environmental consequences of the development of new coal-fields have been examined by the Commission on Energy and the Environment. Its report concludes that modernisation of the industry affords the best prospect of striking an acceptable balance between energy and environmental issues; and also point out the environmental risks if we found that a crash programme to expand coal production was necessary in the 1990s.

The Investment Decision

The National Coal Board need investment approval before they can begin work on Belvoir. We should not take any decision on investment approval for quite some time. (This is not inconsistent with giving planning permission now; the Inspector said that the evidence did not permit precise conclusions as to when in the 1990s the coal would be needed). The Board's investment appraisal ofthe project is now some 18 months out of date-and it would be right to conduct a thorough updating in relation to our overall strategy for the industry.

The Belvoir Card

The Belvoir decision is of great importance both to the NCB and the NUM. Both have chosen to regard it as a touchstone of the Government's continued commitment to Plan for Coal. Within the union it is particularly important to the moderate productivity-conscious Leicestershire miners, many of whose pits will close in the late 1980s, and who look to Belvoir to provide continuity of employment. An outright rejection of Belvoir will affect the attitude of union moderates and militants alike, on such issues as pay and pit closures (and also perhaps towards nuclear power, which the NUM has not so far opposed).

To turn down the planning applications for Belvoir will close important options for the future, and make the task of getting the coal industry back on course more difficult. In practice a fresh application could not be successful for many years. Meanwhile progress with the closure of uneconomic pits will be much more difficult. And the NCB will have increasing difficulty in developing alternative low cost coal fields, since these will pose environmental problems similar to Belvoir (as Michael Heseltine's minute recognises).

But, by the same token, Belvoir is probably our strongest card at present in our relationship with the NUM and the NCB. If we give planning consent we should say at the same time that the question of investment approval is still under review; we should go on to make it clear that the crucial factor in our decision on whether the capital expenditure will be authorised will be the industry's demonstrated commitment to getting itself back on course for financial viability. We should use this opportunity to bring it home to the industry that continued substantial investment in coal will depend upon the industry's ability to put its house in order. Belvoir is a vital card to have in our hands in restructuring the industry under Sir Derek Ezra's successor.

Conclusions

If the planning decisions were to be negative we must be quite clear that this could damage our relations with the NUM generally and strengthen the hand of the militants. This is a risk we must not take before the wage negotiations (which come at the beginning of the new wage round).

I also see no advantage in taking a positive decision before the wage settlement, which is not the right context in which to play this important card. I appreciate, too, that colleagues may not

have had time to consider the arguments in this minute and in Michael's in detail. I therefore believe that at your meeting tomorrow we should do no more than agree that no decision should be taken until, say, December. We would thereby give ourselves more time for a full consideration of the important substantive issues which this question raises.

I am copying this minute to the Chief Secretary to the Treasury, the Home Secretary, the Secretary of State for the Environment and the Attorney-General; and also to Sir Robert Armstrong and Mr Ibbs.

Secretary of State for Energy
16 September 1981

T.M.

9150 on Thu 17. CP.

10 DOWNING STREET

Cabinet

Ms fix mtg -
Chief Sec. (1 hour)

- Chancellor
- Energy
- Home Sec
- ~~Health~~ Environment
- A.G.
- Ibbs
- Armstrong
- ~~Hoskyns~~
- Hoskyns → away on holiday.

cc Mr Duguid
Mr Vereker
cc Mr Lofthouse

Prime Minister
I will set up a meeting with Mr Heseltine, the Chancellor, Mr Howe and the Home Secretary. I think we also need the Attorney General and Mr Ibbs. Agree?
Yes pls.

SECRETARY OF STATE FOR THE ENVIRONMENT

11 September 1981

PRIME MINISTER

VALE OF BELVOIR COALFIELD

At the request of your office I am putting forward my proposals on the Belvoir Coalfield decision in the form of this minute rather than as a paper to E Committee.

I have had before me for some time applications made by the National Coal Board under the Town and Country Planning Act 1971 for the development of a new coalfield in the Vale of Belvoir. The applications are for permission for the extraction of coal from under some 100 square miles of land mostly in North-East Leicestershire. Recoverable reserves are estimated to exceed 500 million tonnes, giving a total life for the coalfield of around 70 years. Three new mines would be constructed, which would employ 3,800 mineworkers and produce 7.2 million tonnes of saleable coal per annum. The NCB are planning that the first 2 mines (producing 5.2 million tonnes per annum) should be in full production 8 years after a permission enabling work to commence, with the third mine following 6 years later.

PUBLIC INQUIRY

A public local inquiry into the proposals has been conducted on my behalf by Mr Michael Mann QC, assisted by 2 assessors. The inquiry lasted from 30 October 1979 to 2 May 1980. Objectors at the inquiry included Leicestershire, Lincolnshire and Nottinghamshire County Councils, Melton Borough Council, the Countryside Commission,

the CPRE, and Country Landowners' Association, the National Farmers' Union, the Vale of Belvoir Protection Group, and the Parish Councils in the Vale of Belvoir (the last three appearing jointly as "the Alliance").

The Inspector has recommended that planning permission should be granted for the development of the coalfield and the construction of all three mines, but that permission should be refused for the construction of proposed spoil heaps at two of the mines.

THE QUESTION OF NEED

The Inspector was asked to examine the need for the proposed development and the case for preferring it to alternative locations. Exhaustive evidence was given on this point at the inquiry, and the witnesses included a representative of the Department of Energy. The Inspector concluded that "it is a somewhat more likely than not that there will be a need for a supplement to indigenous deepmine capacity at about the time (1995) the new coalfield could become fully operational" and that "such need as there may be for more indigenous deepmine capacity in the 1990s can be met only by the exploitation of this coalfield". He has been unable to refine his opinion by suggesting the year the need will arise or to provide a precise quantification.

The Inspector found that, because of the expected depletion of resources, national deepmined annual output capacity is likely to fall from 120 million tonnes in 1974 to about 108 million tonnes in 1990 and to about 91 million tonnes in 2000, unless new coalfields are developed. The development of Belvoir would increase these figures to 113 million tonnes in 1990 and 98 million tonnes in 2000.

The intended market for Belvoir coal is as fuel for electricity generation in the Trent Valley power stations. These power stations will reach the end of their current life in the late 1990s unless they are refurbished. The CEGB currently consumes about 70 per cent (or approximately 85 million tonnes) of the NCB's total output. The NCB and the CEGB have an understanding that the CEGB will take 75 million tonnes per annum up to 1984. Beyond this, however, estimates of demand for coal for electricity generation depend heavily on assumptions about rates of economic growth, comparative fuel costs, and the extent to which nuclear capacity comes on stream. The CEGB suggest that this demand could be in the low tens of millions of tonnes beyond 2000.

Estimates of other markets for coal are affected by the same uncertainties about rates of economic growth and comparative market shares. On the former, the Inspector assumed for the purpose of his conclusions that GDP would grow by 2.7 per cent a year on average to the year 2000. On market shares, NCB estimates depend critically on the speculative expectation that coal will make substantial in-roads into industrial markets, quadrupling its present share by 2000. Department of Energy evidence at the inquiry was that coal's share of future energy markets would depend on its price relative to other fuels. The Inspector took the view that NUM wage claims would not wipe out any price advantage over oil which coal would otherwise enjoy. It is clear that the NCB's strategy depends on greatly increased productivity at new collieries, and, at Belvoir, they are forecasting productivity four times the current national average.

The markets for coal in the 1990s and beyond are clearly highly uncertain. I therefore remain to be convinced of the need for an extra 5 million tonnes per annum capacity from Belvoir by 1990, increasing to 7.2 million tonnes per annum capacity by 1995.

The Inspector's hesitant acceptance of only a short-term need for the Belvoir coal indicates that at best need for this capacity may occur later than is predicted by the NCB and that perhaps it may not materialise at all.

ENVIRONMENTAL CONSIDERATIONS

As in all cases of this nature, I have to balance the need for the coal against the environmental consequences of working it. The Vale of Belvoir is a prosperous and largely unspoilt area of high quality farmland, a valuable productive area of mixed livestock and arable farming, one of whose products is Stilton cheese. It is also a tranquil and pleasant area, which is important to the East Midlands, a region not well endowed with attractive areas of countryside.

It is clear that coal-mining would totally change the character of the area. The mine buildings, which include winding towers up to 190 feet in height as well as massive processing buildings, would become a dominant feature. Leicestershire County Council estimate that an additional 5,000 dwellings would be required for incoming miners and their families, and other facilities would also be required for the additional population. There would be considerable extra road traffic, particularly during the construction phase, and new railway lines would be needed for the transportation of the coal once production had started. Noise would also be a significant problem for local residents during the construction phase. Over 4,000 properties are likely to be affected by subsidence, and farmers are apprehensive about the effects on land drainage.

The Inspector has given detailed consideration to the proposals for the tipping of colliery spoil at the three proposed mines. These tips would require some 2½ square miles of land, and the largest tip would be almost 2 miles in length, and over 100 ft in height. The

Inspector has concluded that two of them would be totally unacceptable in visual terms, as well as involving the loss of high-quality agricultural land, and causing serious noise problems, and recommends that permission for their construction should be refused. My own view is that the case against the third tip on agricultural grounds is equally strong. The Inspector suggests that, if permission were to be given to mine coal in the Vale, acceptable alternative arrangements could be made. For example, the spoil might be used to reclaim disused brickclay pits in Bedfordshire, although the extra cost would be almost £12 million per annum at October 1979 prices. The Inspector dismisses the possibility of putting the waste back down the mines but I believe that this is a matter on which more research should be done and I understand that this is at present being considered by the Commission on Energy and the Environment. I am quite clear therefore that it would in any event be wrong to permit the development of the coalfield until acceptable arrangements for disposing of colliery waste, other than by local tipping, have been made.

CONCLUSIONS

On the basis of the inquiry evidence I have decided that I should refuse the NCB's planning applications. Provided satisfactory arrangements could be made for the disposal of colliery waste, the other environmental damage to the Vale of Belvoir might be acceptable if the case on need deployed by the Board was overrriding but, as it is not, I consider that there is no justification for permitting the proposed development.

There are two matters which were not raised at the inquiry and on which I do not rely on reaching my decision.

First, while capacity is bound to decline without new development, the decline will be slowed by the decisions to defer pit closures. In any event, coal imports would almost certainly be cheaper than the development of new capacity, although there are questions of availability and transportation facilities to be considered. Moreover, I am far from convinced that there will be the market for coal that the NCB predict. When seasonal fluctuations are taken into account, coal stocks have been steadily increasing over the last 2 years, and at the end of April stood at over 39m tonnes, a higher figure than at any time at least since the 1974 miners' strike. At present they could on their own, provide a replacement for two-thirds of the coal that, even on the most favourable assumptions, would be produced from Belvoir up to the end of the century. Without better market prospects, I can see no reason to turn the Vale of Belvoir into a coalfield.

Secondly, I recognise that the applications have important implications for national energy policy. I fully accept the need to ensure that the nation has adequate and secure supplies of energy to meet prospective requirements and I am aware that the Department of Energy argued at the Inquiry that if the coal industry is competitive and based on efficient, high productivity capacity, it will have an essential and increasing part to play in meeting our future needs for energy. However, I am concerned that the fulfilment of this role appears to involve the development of new coalfields in a succession of rural areas some of which are highly sensitive from an environmental standpoint. Approval of the present application would represent at least partial endorsement of this strategy by the Government.

I recognise that the NCB may wish to submit new applications relating to this area in a few years' time if the need for the coal

has by then become better established, but I can see no harm in such a delay. Indeed, it would provide time for the Board to find an acceptable solution to the waste disposal problem, and to consider whether the environmental impact of the development might be minimised by reducing the area of the coalfield and the number of mines. A delay would also enable the Government and the Board to consider priorities for the development of new coalfields, so as to ensure that those proposals which are least unacceptable on environmental grounds are brought forward first.

I am copying this to those colleagues who I understand are to attend the meeting you have called - the Chancellor of the Exchequer, the Home Secretary and the Secretary of State for Energy. I understand that Sir Robert Armstrong and Mr Ibbs are also to be present, and copies go to them also.

In view of the intense public interest this case has provoked - and the series of damaging leaks about the Government's intentions - I ought to announce my decision as soon as possible. Therefore I propose to issue the decision letter during the recess and to put out a press notice on the same day. Accordingly I hope that your office will be able to arrange the proposed meeting very soon.

H Channing

M H

(approved by the Secretary of State and signed in his absence)

7F

Energy

10 DOWNING STREET

From the Private Secretary

1 September 1981

R/F 14/9/81

I enclose a letter to the Prime Minister from the TUC about Belvoir coalfield. Could you please let us have a draft reply for her signature by Wednesday 16 September.

I am sending a copy of this letter and enclosure to David Edmonds (Department of the Environment), Terry Mathews (Chief Secretary's Office, HMT) and Gerry Spence (CPRS).

M. A. PATTISON

J.D. West, Esq.,
Department of Energy.

VLG

MFJ

1 September 1981

I am writing on behalf of the Prime Minister to thank you for your letter of 27 August.

I will place your letter before the Prime Minister and a reply will be sent to you as soon as possible.

MAP

The Right Honourable Lionel Murray OBE

2

10 DOWNING STREET

PRIME MINISTER

Len Murray writes to stress the TUC's view of the importance of mining Belvoir.

We will let you have a draft reply.

Agree with for draft

1 September 1981

MAP

TRADES UNION CONGRESS

CONGRESS HOUSE · GREAT RUSSELL STREET · LONDON WC1B 3LS

Telephone 01-636 4030 *Telegrams* TRADUNIC LONDON WC1

cc FNM

MT.

YOUR REFERENCE

OUR REFERENCE LM/BC/DT/EK

DEPARTMENT Economic

Rt Hon Margaret Thatcher MP
Prime Minister
10 Downing Street
LONDON SW1

August 27 1981

R29

Dear Prime Minister

Belvoir Coalfield

I have been asked by the TUC Fuel and Power Industries Committee to write to you, rather than to one of your Ministerial colleagues, about the NCB's proposals to develop the Vale of Belvoir coalfield, because of the project's intrinsic importance and because there is a clear need to take a view between the environmental and energy policy considerations.

You will of course be aware that summits at EEC and OECD level have repeatedly drawn attention to the need to develop indigenous energy sources and have frequently pointed to the important place of coal within that framework. This widespread recognition of the increasing importance of coal in meeting the world's energy needs was re-asserted most recently in the declaration of the Ottawa Summit.

It is also beyond question that the Belvoir coalfield is fundamental to the chances of the coal industry fulfilling its production targets, which have been agreed by successive Governments, the mining unions and the NCB. Agreement on the necessity of progressive development of new capacity was at the heart of Plan for Coal. It would be contradictory for the Government to say that it wants a modern, efficient coal industry and yet to block the development of new capacity. As you must know, the Leicestershire coalfield is coming to the end of its life and an early decision on Belvoir is essential in order to provide replacement capacity and jobs for those workers currently employed in the Leicestershire coalfield.

The TUC and the mining unions have supported a framework of policies based on a level of government support which recognises the burden of new investment and the degree of support given by other European countries to their coal industries; an end to unnecessary coal imports; and the maintenance and development of the existing UK coal industry. The TUC therefore welcomes the statement by the Secretary of State for Energy on June 16 as a first move back towards a more satisfactory set of policies for the coal industry. I must emphasise, however, that such confidence in the Government's approach as has been gained by the mining unions as a result of that statement would be completely lost if the Government were to oppose the Belvoir development.

Yours sincerely

Lionel Murray

General Secretary.

CP: Belvoir file

TL

78 7 1.

Prime Minister

Para 5 of this opinion would seem to permit the S of S to take part in a discussion of issues of policy relevant to Belvoir before reaching his decision. MAP 28/VII

THE PRIME MINISTER

1. I understand that you have asked for my advice on whether a Minister may consult his colleagues before taking a decision in a matter where he has to act in a quasi judicial manner.

2. After a planning inquiry the Secretary of State wears a judicial hat until he has announced his decision. He must comply with the Town and Country Planning Inquiries Procedure Rules 1974 and also the rules of natural justice.

3. If he disagrees with the Inspector's recommendations he must give reasons. If he disagrees with the Inspector on a finding of fact he must go back to the parties to enable them to make further recommendations. However, a finding of fact does not include government policy.

4. If he disagrees because of "new evidence" or takes into consideration a "new issue of fact" which was not raised at the inquiry he must re-open it if any party wishes. "New evidence"includes expert opinion on a question of fact but a "new issue of fact" does not include a matter of government policy. Although it could include the application of government policy to the facts if there had been a change in policy since the inquiry which led the Secretary of State to disagree with the Inspector.

5. The Secretary of State must be free to consult his ministerial colleagues on questions of government policy during the course of making his decision. However, the final decision on a planning application in which he may need to balance environmental consideration with matters of government policy, is one he must take on hiw own.

6. In this respect the Secretary of State is in the same position as I am when asked, for example, to give my consent to the prosecution of a local authority for causing or

/permitting

permitting overcrowding in a council house. I would, and do, of course, consult the Department of the Environment to see whether there are any considerations I should take into account before deciding whether it is in the public interest that such a prosecution be brought. However, once again, the final decision is mine.

M.H.

28th July, 1981

10 DOWNING STREET

MISS STEPHENS

Please could you check with Mr. Heseltine's office whether we need to change the date of the Vale of Belvoir meeting, which is at present set for 30 July. I suspect he may still be in Liverpool on that day.

M

17 July 1981

T.A. M

No we're OK. He will be back for the wedding & Cabinet. CP. 20/7

SECRET

Energy ds (5)

10 DOWNING STREET

From the Private Secretary

MR. ROBIN IBBS
CENTRAL POLICY REVIEW STAFF

Vale of Belvoir Inquiry

I have shown the Prime Minister your further minute of 8 July on the above subject. I am afraid she is still not persuaded by your approach to this problem. She believes the planning decision on Belvoir should be looked at on its own merits, rather than in the context of the NCB/NUM problem.

I had suggested to the Prime Minister that you should have a private meeting with her to discuss this matter in advance of the meeting with other Ministers. However, I think she would prefer to wait now until the latter meeting before discussing the issue further. (The meeting, which has been set for 30 July, may in any case have to be postponed because of Mr. Heseltine's absence in Liverpool.)

I am sending a copy of this minute to Sir Robert Armstrong.

J. P. LANKESTER

17 July 1981

SECRET

SECRET A 13 July 1981 4

Policy Unit

PRIME MINISTER

NCB/NUM AND VALE OF BELVOIR

1. Robin Ibbs sent you a minute on 8 July about the significance of our decision on the Vale of Belvoir in the context of this year's NUM pay claim. We think that he has if anything understated the importance of the decision as a card in the negotiations.

2. All the forecasts point to a very difficult pay round. We are going to have to pull out all the stops to prevent a further loss of competitiveness this year. The miners settle early in the round (1 November) and although only a few of the public sector monopolies will expect to match them, a high settlement for the miners will inevitably raise the sights of almost all other groups.

3. The NUM Conference decision to press for £100 a week may be only the usual rhetoric. But Scargill and the Left will try to use a "no" decision on Belvoir to give the claim real substance.

4. Our contingency plans are not ready for a fight with the miners this year. The work of the official group, on which Andrew Duguid and John Vereker have been sitting, points firmly towards the impracticability of taking on the miners unless, among other preparations, we start the autumn with much higher coal stocks than we now can arrange. And there is no hope of achieving moderation by exhortation in the case of the miners.

5. So we must play what cards we have with care; and the only significant card is Belvoir. There are two decisions to be taken on Belvoir: the quasi-judicial planning decision, and the investment decision. It is essential to separate these: different criteria apply, and different consequences follow.

6. The planning decision ought to be positive:

(1) because it will be very difficult to find grounds to over-rule the inspector's recommendation; and

(2) because if it is positive we retain the investment decision card, whereas if it is negative, Scargill will work all-out to convince the rank and file that "the Government is set on teaching them

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a lesson" etc. For these reasons, delay on the planning decision is just as bad.

7. This does not mean taking an immediate positive investment decision, because the necessary business appraisal will not have been made. The investment decision becomes the bargaining card we hold over the miners, making it clear that a major factor in the decision will be how much we have to pay for the coal - and pay is the main ingredient in productivity.

8. I believe you should discuss this with Robin Ibbs, and perhaps also Geoffrey, before 30 July.

JOHN HOSKYNS

Norton, Rose, Botterell & Roche

Our Ref. 15/V.3742 Your Ref. Date 14.7.81

With compliments

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a/ Mr Duguid
Press Office

YOUR REFERENCE

OUR REFERENCE 15/V.3742

14th July 1981

NBPM yet

The Secretary of State for the Environment
The House of Commons
Westminster
LONDON SW1

PL
14/7

Dear Secretary of State,

Vale of Belvoir

My Clients, the Alliance, representing the National Farmers' Union, the Vale of Belvoir Parish Councils Committee and the Vale of Belvoir Protection Group, view with increasing concern the public debate which is being conducted in the media and elsewhere (and in which quite deliberately they have not so far participated) in anticipation of your decision on the National Coal Board's applications to mine in the Vale.

Indeed, it has been suggested that the decision has already been made. Whether or not this is so, it is in my Clients' opinion clearly desirable that the decision should not be delayed one moment longer than absolutely necessary. Nbt only should the continuing uncertainty which is gravely distressing my Clients be brought to an end but the continuing speculation, the political posturing by certain participants, and the positively misleading contributions from certain quarters should also cease.

My Clients have also noted with considerable surprise that the claims made on behalf of the Department of Energy at the Inquiry are being pursued without apparent contradiction. It is my Clients' view that following the examination which took place during the course of the Inquiry those claims were demonstrated to be overoptimistic and illfounded. They suggested continuing demand at a time when all reliable pointers

Cont....2

indicated to a reduction in that demand - a conclusion which subsequent figures have confirmed.

I am asked to remind you that my Clients do not claim that there is no engineering problem that cannot be overcome by the application of unlimited resources. But in the context of that observation, they have noted that the Government has already offered the mining industry substantial sums of money to keep open certain older pits the anticipated closing of which was in my Clients' interpretation one of the fundamental props of the National Coal Board's case.

The contest is between need and environmental impact. I am asked to remind you of the following eight issues:-

(1) Manifestly a need must be shown and must be shown on more than a balance of probabilities.

(2) The proposed development if permitted will by necessary implication cause substantial environmental damage.

(3) Notwithstanding certain documentation put before the Inquiry, no firm policy decision as to how the coal industry is to develop beyond 1985 and through into the next century has been taken.

(4) Mining is an extractive industry which first depletes and ultimately exhausts reserves. The choice is not between developing new capacity or allowing the industry to decline. If the coal is not needed, the decline of the industry should be positively encouraged.

(5) The domestic desire to replace local capacity and preserve valuable local mining skills are quite irrelevant to the issue of need.

(6) In asserting the efficiency and economy of a Belvoir field, the Coal Board cannot possibly have brought into account the enormous costs of the other works consequential upon the proposal. The coal will be very expensive coal indeed.

(7) The National Coal Board's case by its own assertions seems to my Clients to be a grotesque case, namely to want to win the coal because it is there without relation to any defined markets.

Cont....3

(8) In every context landscape, subsidence, road traffic, rail traffic, noise and agriculture a devastating change in the character of the Vale would occur. The mine buildings, spoil tips ancillary developments such as sewage treatment works, housing, rail links, rail network, overhead electricity lines, together comprise collossal manmade developments by any standard of comparison. In my Clients' opinion, the layout has been designed to give the best possible mining conditions rather than to give the best possible surface and subsidence conditions. The enormous land losses involved in this project and the ability of the agricultural industry to continue to produce a steadily increasing proportion of the nation's food will be severely prejudiced over the whole of the Vale. The potential damage to agricultural activities encompasses all the above matters to which may be added severance, restoration problems and general disturbance.

In my clients' view the if the application is granted the consequences will be devastating and certain. If it is refused thereseryes will remain. But in the evnnt of industrialisation of the Vale a very different atmosphere will prevail. In this context I am asked by my Clients to say that the apparently inevitable and characteristically aggressive response of the National Union of Mineworkers to the possibility of refusal - namely immediate industrial action and withdrawal of labour - gives my Clients very little confidence comfort or hope for the future of the Vale - an industrially peaceful and hard working agricultural economy - or for the prospects of observance of any conditions or terms imposed upon development if permitted if they do not happen to suit some of the participants.

I am asked by my Clients to request that your decision is made known as soon as possible.

Yours sincerely,

P.J.Purton

cc: The Right Hon. Mrs. M. Thatcher
Secretary of State for Agriculture
D. Howell Esq - Minister for Energy
M. Latham Esq M.P.

(8)

In every contest landscape, subsidence, road traffic, rail traffic, noise and agriculture a devastating change in the character of the Vale would occur. The main buildings, good tips municipal developments such as sewage treatment works, nuclear, rail links, rail network, overhead electricity lines, together comprise colossal man made developments by any standard of comparison. In my Citizens' opinion, the layout has been designed to give the best possible amenity conditions rather than to give the best possible surroundings and subsidence conditions. The economic land losses involved in this project and the ability of the agricultural industry to continue to produce a specially increasing proportion of the nation's food will be severely prejudiced over the whole of the Vale. The existential damage to agricultural activities encompasses all the above matters to which may be added severance, maintenance problems and general disturbance.

In my Citizens' view it is the application is granted the compensation [illegible] and certain. If it is refused [illegible] the [illegible] remember [illegible] difficulties [illegible] Finally [illegible] hard working [illegible] development [illegible] some of the [illegible]

Declaration [illegible]

[illegible]

cc: The Right Hon. Jack Jones, Minister
Secretary of State for Transport
D. Connell Esq - Minister for Transport
M. Palmer Esq V.P.

1

PRIME MINISTER

c.c. Mr. Duguid

Vale of Belvoir Inquiry

You have expressed your continued disagreement with Mr. Ibbs on the approach which he proposes regarding the Vale of Belvoir.

He said in his minute that he would be happy to discuss this with you. I think this would be a good idea, because we do not want to get into the meeting with Mr. Heseltine and other Ministers (which has been set for 30 July) with the CPRS, Mr. Howell and almost certainly the Treasury taking a different line to yours.

May I arrange a 15 minute meeting some time during the next 10 days?

No - MH is now otherwise occupied.

MT

TL

You should also see John Hoskyns' note on this at Flag A.

13 July, 1981.

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Qa 05611

8 July 1981

To: MR LANKESTER

From: J R IBBS

Vale of Belvoir Inquiry

1. Thank you for your minute dated 6 July. I was very interested to know the Prime Minister's comments on my minute dated 1 July.

2. I appreciate that the Secretary of State is in a quasi-judicial position and that the decision is his and not a collective one. The draft paper I have seen refers to his preliminary conclusion and I do not know what further consideration he may give to the matter, nor what views he may seek, before coming to a final conclusion on the evidence before the Inspector.

3. My concern is that the Prime Minister should be aware of the significance that the decision on Belvoir is likely to have in the context of achieving the lowest possible miners' settlement this Autumn. The work which the CPRS has been doing on the NCB/NUM problem has confirmed that the Government is not well placed to determine the outcome because this is not an occasion on which it would be prudent to risk a miners' strike. In these circumstances the attitude of the moderates in the NUM is likely to be of crucial importance, and anything that can be done to ensure that they are in a mood to exert a restraining influence will be valuable. The decision on Belvoir could well be a major factor in shaping the attitude of the moderates.

4. The significance of Belvoir is highlighted because the decision appears to be the best card the Government holds in the run up to this year's negotiation with the miners. The outcome of that negotiation

will have a major influence on settlements in other parts of the public trading sector and considerable influence more widely. It is thus of great importance to the success of the Government's economic strategy.

5. It may be that because of the Secretary of State's quasi-judicial position this important card has to be played, so far as its pay implications are concerned, at random. Even so, I should not wish the Prime Minister to be unaware of its importance in the light of our work on the NCB/NUM problem.

6. Obviously, I would be happy to discuss this with the Prime Minister if that would be helpful in view of the importance of the subject.

7. I am sending a copy of this minute to Sir Robert Armstrong.

JR

SECRET

10 DOWNING STREET

From the Private Secretary

MR. IBBS
CPRS

VALE OF BELVOIR INQUIRY

We have arranged the meeting of Ministers to discuss the Vale of Belvoir Inquiry for 30 July. I have, however, shown the Prime Minister your minute of 1 July; and you may like to be aware of her comments. These are as follows:

> "The Secretary of State is in a quasi judicial position. The decision is his and it must be made on the evidence before the Inspector. If anything else after the Inquiry were to be taken into account, the Inquiry would have to be re-opened. The meeting cannot therefore discuss the merits, only the timing, of the Secretary of State's decision."

I am sending a copy of this munute to Sir Robert Armstrong.

T. P. LANKESTER

6 July 1981

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SofS is in a
quasi-judicial position.
The decision in his will, must be
made on the evidence ~~of~~ SECRET
before the Inspector. If anything else
of the inquiry were to be
taken into account
the inquiry would have
to be reopened. It
must therefore be
the merits, only the
of the SofS's
decision.

MT

ck. A. Duguid

Prime Minister

We have arranged a meeting on this for later this month. I thought you should see this note from Robin Ibbs right away. He recommends accepting the Inspector's view that planning permission be given, but not agreing the investment until we are certain it is justified.

B

Qa 05603

1 July 1981

To: MR LANKESTER

From: J R IBBS

Vale of Belvoir Inquiry

1. We have seen a draft of the Secretary of State for the Environment's preliminary conclusion on planning consent for the Vale of Belvoir project. We believe that the problem posed by Belvoir needs to be viewed against the background of the fundamental NCB/NUM problem, which we are examining.

2. The coal industry currently poses two immediate major problems for the Government:

(a) How to ensure that the miners' pay settlement in September/October does not seriously damage the prospects for low pay settlements in the public and private sector in the forthcoming pay round - an objective central to the Government's economic strategy.

(b) How to contain the huge and growing losses and cash demands which it is imposing.

3. This analysis leads to two simple objectives:

(a) To get the lowest possible miners' settlement this autumn, and

(b) Steadily to increase acceptance within the industry that its long-term future depends on efficiency, good working practices and the closure of uneconomic pits.

4. Achievement of these objectives will depend on maintaining a situation in which the moderates see it as being in their best

3/7

interests to accept the direction in which the Government wants to move the industry. At present they regard themselves as well-paid and likely to lose financially from a strike, and would only support this if they felt threatened (as they apparently did in February).

5. The significance of Belvoir is that to the industry it is a key part of Plan for Coal and a symbol of the Government's willingness to support the industry. Furthermore it is in an area where moderates predominate and will provide jobs as other Leicestershire and South Nottinghamshire pits close.

6. If, therefore, Belvoir is turned down against the Inspector's recommendations this is likely seriously to upset moderate opinion. It will appear as a defeat for Gormley and even as a deliberate political snub. It will strengthen the position of those who are blatantly opposed to the Government and seek confrontation with it.

7. While the turning down of Belvoir is unlikely in itself to lead to industrial action, the unsettling of moderate opinion will make it harder to achieve a moderate pay settlement in the coming months; and it is likely also to set back the time when the industry can achieve the reasonable pace of closures required to contain the losses.

8. It is important to distinguish between giving planning permission for Belvoir as the Inspector's report recommends, and giving detailed investment approval for the project to proceed. Our view is that the best course would be to accept the Inspector's recommendation on the planning application, but to make it clear both to the public, and particularly to the NCB and the NUM, that approval of the massive investment in the project must await both

- progress in improving the performance of the industry, and with it the long-term demand for coal, and

- detailed appraisal of this particular project.

(This course may well mean reopening the inquiry later, on the grounds that new evidence is being taken into consideration, but at that stage it would be environmental objectors rather than the Government who were opposing the project.)

9. We recognise that there are strongly-held environmental views against Belvoir, although the Inspector's report comes out against them. However to achieve 22GW of nuclear generating capacity by 2000 the Electricity Boards will have to find up to 12 sites (after Sizewell) for a further 14GW in coastal or rural areas, and then fight and win planning enquiries for them against environmental objections. A veto on Belvoir would make this even harder. Mr Heseltine's use of the argument against Belvoir that the "need" for additional coal has been insufficiently established would be a serious embarassment when the case for a rapid increase in nuclear capacity has to be advanced.

10. The advantage of allowing planning approval but specifically remaining uncommitted to project approval is that the continuing prospect of Belvoir then increases interest which moderates have in improving the efficiency of the industry, and at the same time leaves in the Government's hands the important card of actual approval of the project. By not alienating moderate opinion it puts the Government into a stronger position to achieve its objectives in the coming pay round.

11. I am sending a copy of this minute to Sir Robert Armstrong.

Energy

4½ - over hills.

1½ - spoils.

PRIME MINISTER

For your meeting with Mr. Latham and his colleagues, you may find it helpful to have a note of the current state of play on the Vale of Belvoir Inquiry.

The Development

The National Coal Board's proposal is to mine 510 million tons of coal under 90 square miles of mainly agricultural land in the Vale of Belvoir in Leicestershire, Nottinghamshire and Lincolnshire. The coal would be brought to the surface at three mines all situated in N.E. Leicestershire. Annual production will be about 7 million tons. Development of the mines would take about 12 years and 3,800 men would eventually be employed.

The Public Local Inquiry

Because the proposal raised issues of national and regional importance the Secretary of State for the Environment called in the planning applications for his own decision in January 1979. A wide-ranging public local inquiry into the proposal, lasting 84 working days, was held between 30 October 1979 and 2 May 1980. It was conducted by Mr. Michael Mann, QC, who was assisted by an environmental assessor (the DOE's Chief Planning Inspector) and a mining assessor. The major issues dealt with included the long and short-term need for the coal and the tipping of waste both on site and at remote locations.

Receipt of Inspector's Report and Decision

It is now expected that the Secretary of State for the Environment will receive the Inspector's Report before the end of this month. The decision process is likely to take some time because of the complexity of the issues involved and the consultations within Government (particularly the Department of Energy and the Ministry of Agriculture) which will be required. I understand

/ that the Report

that the Report is expected to be "about the length of War and Peace".

Petition

As you will remember, Mr. Latham came with a group who handed in a petition against the mining proposals signed by 102,000 people. But there has been an approach to you from another group who claim that most of the 102,000 signatures came from summer visitors to Belvoir Castle, and not local residents.

Mr. Heseltine's office have particularly asked that you should avoid making any comment on the merits of the issue - or at least, any comment which might become public. Anything said by a Government Minister at this stage could be regarded as prejudicing the eventual decision, and so invite challenge in the High Court.

MAP

12 November 1980

NOTUSED

Reference

APS/SECRETARY OF STATE

BRIEF FOR PM

I attach the brief on the NCB's planning application to mine coal in the Vale of Belvoir which I understand is required for the PM's meeting with the Countryside Commission tomorrow.

The brief is being copied to Department of Energy, who will not now provide a separate brief.

G.I. Fuller

G I FULLER
PI5/MPD
211:7870
730 BH

Copy to:-
Mr C N Tebay
Dept of Energy

12 November 1980

CODE 18-73

Env.

BELVOIR - BRIEF FOR PRIME MINISTER'S MEETING WITH THE COUNTRYSIDE COMMISSION - 13 NOVEMBER 1980

The Development

1 The National Coal Board's proposal is to mine 510 million tons of coal under 90 square miles of mainly agricultural land in the Vale of Belvoir in Leicestershire, Nottinghamshire and Lincolnshire. The coal would be brought to the surface at three mines all situated in N.E. Leicestershire. Annual production will be about 7 million tons. Development of the mines would take about 12 years and 3,800 men would eventually be employed.

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Receipt of Inspector's Report and Decision

3 It is now expected that the Secretary of State for the Environment will receive the Inspector's Report before the end of this month. The decision process is likely to take some time because of the complexity of the issues involved and the consultations within Government (particularly the Department of Energy and the Ministry of Agriculture) which will be required.

4 The PM is strongly advised not to discuss the merits of the proposal with the Countryside Commission. Any such discussion at this stage could be regarded as prejudicing the eventual decision and so invite challenge in the High Court.

RESTRICTED

cc CO
CSHMT
DOT
MAFF
DM
LPO
DOI
HMT
FCO
HO

MFJ

10 DOWNING STREET

From the Private Secretary

30 July 1979

Dear John

We spoke on Friday about your Secretary of State's further minute of 23 July covering a revised draft statement for the Department to submit to the Belvoir Inquiry.

I told you that the Prime Minister felt that the statement would be more complete if it included some estimate of UK reserves of coal and some commentary on a distribution of these reserves. You pointed out that, while the Department could properly include an estimate of volume, the question of distribution and accessibility was essentially for the National Coal Board. You asked that the Department should not be pressed to trespass on this ground in its statement.

I raised this again with the Prime Minister, and she accepts that it would not be proper for the Department to cover the distribution and accessibility points. I would therefore be grateful if you could now arrange for the final draft of the statement to include some assessment of the volume of UK coal reserves.

I am sending copies of this letter to the Private Secretaries to members of E Committee and to Martin Vile (Cabinet Office).

Yours ever

Mike Pattison

John Arnott Esq
Department of Energy

RESTRICTED

1.

10 DOWNING STREET

PRIME MINISTER

I have discussed this further with the Department of Energy. They will include in their statement some quantification of U.K. coal reserves. They hope that you will not press for the inclusion of a passage on where these reserves are located: as you know, coal of some sort exists in almost every sedimentary basin in the U.K., but once one gets into the question of the balance of distribution, and of accessibility, this is ground for the N.C.B. more than the Department. It is also beyond the terms of the request for Department of Energy evidence, and is essentially for the coal board evidence. For this reason, Mr. Howell hopes that you will not press for the Department to exceed its brief in its statement to the inquiry.

MAP Agreed MT

27 July 1979

10 DOWNING STREET

PRIME MINISTER

You asked Mr. Howell to reconsider his Department's proposed evidence to the Vale of Belvoir Inquiry. His attached minute sets this in context, and offers a redraft. His further minute at Flag A comments on your suggestion that he should make enquiries of Taylor Woodrow. The original submission, on which you commented, is at Flag B.

May we tell Mr. Howell that the Department may now submit the revised statement?

MAP

25 July 1979

I have one further comment on the revised draft. It says (paragraph 3 underlined) 'Estimated recoverable reserves are very large'. Related to this opening is where those reserves are & how large are they? I see no indication of that in the rest of the evidence proof.

PRIME MINISTER

VALE OF BELVOIR INQUIRY

Mr. Pattison wrote to my Private Secretary on 18th July conveying your comments on the draft statement which I proposed should be submitted to the Belvoir Inquiry.

I realise that the Vale of Belvoir is a sensitive issue for a number of our supporters. Before however turning to the specific points you raised, it may be helpful if I explain the nature and status of the statement which has to be presented to the Inquiry. The statement would not be submitted over a Ministerial signature but in the name of the Department. It would not commit us to approving the development. The Inspector will submit his report to the Secretary of State for the Environment and it will then be for us to take our decision in the light of that report. My officials, when giving evidence, will be appearing as "friends of the court" and not as supporters of the NCB's application. They will be expected to explain the overall role we foresee for coal in our energy strategy but it will be for the NCB to make the specific case for the Belvoir development.

I have redrafted the statement to give greater prominence to the decisions taken at the Tokyo Summit, and to emphasise the important future role that nuclear power must play. You may have seen the speech which I made on the occasion of the UKAEA's 25th Anniversary underlining this point and I will let you have shortly a minute suggesting how we can best give new impetus to the nuclear power programme. Exploiting the UK's very large stocks of depleted uranium, to which you refer, will turn on developing the fast reactor. While I believe it is important to press ahead with this development, fast reactors cannot contribute to our energy supplies until the late nineties. The first priority must be our thermal reactor programme. We do not at present have a thermal reactor system readily available for series ordering or an industry which could take on a substantial programme at once. It will take time to put this right and we must make a start now. I am anxious that we should press ahead with nuclear power as soon

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as we can. But there is a limit, given the long lead times involved, to the contribution that even thermal reactors can make by the end of the century.

The room for manoeuvre in choosing between alternative strategies is limited. We are increasing our expenditure on the renewables and my officials are closely in touch with developments in this field. However, the contribution from all these sources including wind power for which we can hope, on the time-scale to which the present supply decisions are relevant, is very small. My Department would put it as no more than 10 m.t.c.e. in the year 2000, although the contribution could be much more important in the next century. The work done by my officials suggests that, if we are to meet our future energy needs, we will need both coal and nuclear as well as a substantially enhanced conservation programme. Coal will be needed for electricity generation until the nuclear power contribution expands during the 1990s and beyond to displace it. It will also be needed as a substitute for oil in lower grade industrial uses and, in the longer term, as a feedstock for gas manufacture and other synthetic fuels. You may be interested to see the attached summary table of my Department's most recent set of energy forecasts which highlights the possible overall demand/supply position at the end of the century.

I hope you can agree, in the light of this further explanation, to my Department sending the attached revised statement to the Inspector of the Belvoir Inquiry.

I am copying this minute to members of the E committee and to Sir John Hunt.

DH

Secretary of State for Energy

23 July 1979

UK PRIMARY ENERGY BALANCE

mtce

	1977	1990	2000
DEMAND			
Energy	332	370-390	400-460
Non Energy (incl gas and bunkers)	28	45	45-55
TOTAL	360	415-435	445-515
INDIGENOUS SUPPLY			
Coal	122	127-136	137-155
Gas	60	68-71	60-65
Oil	65	153	100
Nuclear and Hydro	16	34-35	88-95
TOTAL	263	380-395	385-410
Net Imports	97	25-50	40-120

The upper and lower ends of the range of estimated demand in 1990 and 2000 are related to, respectively, 3% and 2% assumed average annual growth in GDP.

BELVOIR INQUIRY

The statement gives the Department of Energy's assessment of the energy outlook and of the future role for coal in the U.K.

Prospects

2. World fossil fuel resources are finite and reserves of oil are more limited than those of coal. It is now widely acknowledged that supplies of oil in the international market will become scarcer and more expensive during the rest of this century and beyond. This year's increase in the price of oil and the current shortages in oil supply have served to underline what had already been identified, following 1973, as the long term trend. It is also generally accepted that, if the transition away from oil is to be effected smoothly and the world's future fuel requirements are to be met, increasing reliance will need to be placed on energy conservation, coal and nuclear power and the development of new energy technologies. Substitutes for oil will be required initially in non-premium heating markets and, in the longer term, probably also in the premium transport and petrochemical markets. Following earlier agreements and commitments entered into within the EEC and the International Energy Agency, the world leaders at the Tokyo Summit in June pledged themselves to a common strategy for reducing oil consumption and hastening the development of other energy sources. They stressed the need for the expansion of nuclear power, without which economic growth and higher employment would be hard to achieve. They also undertook to pursue the development of new technologies and "to increase as far as possible coal use, production and trade, without damage to the environment", "to endeavour to substitute coal for oil in the industrial and electrical sectors" and "to maintain positive attitudes towards investment in coal projects".

3. The UK cannot isolate itself from these wider developments, even during the period of self-sufficiency in the 1980s. On present prospects, by the 1990s indigenous oil production will be in decline. Production of indigenous gas, which is a valuable

/resource ...

resource and can only make a limited contribution to further displacing oil, may begin to decline a few years later. In the last decade of the century and beyond, the UK can expect to be importing an increasing proportion of its oil to meet essential needs, at a growing annual cost to the balance of payments. There will be substantial and growing requirements for our other main sources of energy, nuclear power and coal, both for the contribution they can make towards international objectives of reduced dependence on oil and as replacements for our own North Sea oil and gas. Estimated total recoverable reserves of indigenous coal are very large and, in addition, the UK has a substantial stock of "depleted" uranium, remaining from past operations of the civil and military nuclear programmes, which, if used in fast reactors, would provide a further valuable energy source.

4. The Department of Energy's latest forecasts, a copy of which will be submitted in evidence, of energy supply and demand suggest that in the year 2000 energy demand could be in the range of 445 - 515 m.t.c.e. with indigenous supplies, including nuclear electricity, in the range 385 - 410 m.t.c.e. In making these forecasts, the Department has made a substantial allowance for savings arising from improvements in the efficiency with which fuel is used. Renewable energy sources are expected to make only a very small contribution by the end of the century though they might make an increasing contribution thereafter. The Government consider that nuclear power has a vital role to play in meeting the country's future energy needs and will develop policies to this end. There are, however, practical limits, because of the long lead times governing energy investment, to the contributions that can be relied upon within a given timescale from this or other sources. Even allowing for a maximum future contribution from nuclear power, there will still be a large and continuing need for coal.

Role of Coal

5. Against this background the Government foresees the need for a major future contribution from UK coal. Substantial contributions

will also be needed from energy conservation and nuclear power. All three will be complementary, with coal playing a key role in the progressive replacement of oil. It is already substituting for oil to the maximum extent feasible in electricity generation. As oil prices rise, new markets are expected to open for replacing oil and non-premium gas used in industry. With increasing pressure on indigenous gas supplies, a substitute source of gas will also be required, possibly before the end of the century, and coal can expect to play a growing part in this and other longer term markets for synthetic fuel and chemicals. Demand for coal during the 1990s is likely to be at least at present levels and the chances are that the need to use and produce coal will be rapidly rising by the end of the century.

6. Plan for Coal is securing the industry's production capacity only into the 1980s. The progressive exhaustion of existing capacity means that major new development is needed just to maintain output at present levels. Without early an continuing investment in new capacity, colliery production in 1990 would be lower than it is today and could fall to around 80 million tonnes before the end of the century. The coal industry's potential contribution to meeting the UK's longer term needs is very great. If the industry is to play its part in the general transition from oil to other fuels and in the post-North Sea energy economy of the UK, it is essential that the development of efficient, modern capacity should proceed to provide the basis for future expansion of output.

7. This summer has shown the consequences of a relatively minor shortage in supply of one fuel. As oil becomes scarcer, strong competition can be expected to build up in world energy markets for supplies of all available fuels, including internationally traded coal. Failure to develop our indigenous coal resources efficiently would add substantially to future balance of payments burdens and substantially reduce the UK's security of supply.

23rd July 1979

A

PRIME MINISTER

Your Private Secretary's letter to mine of 18 July conveyed your comment that I might like to look into the work of the Technology Department at Taylor Woodrow. I have, of course, known Sir Frank Taylor for many years and indeed have discussed with him only last week Taylor Woodrow's work in the energy field. I shall certainly be looking with interest to the further development of these possibilities, and would very much like to think that we could make effective use of unconventional sources as early as they become economic. What I have heard so far, however, all seems consistent with the view that these sources will not contribute to energy supplies over the next two decades on a scale which significantly affects the choices on major resources we have to make.

DH.

Secretary of State for Energy

23 July 1979

CONFIDENTIAL

TMP

10 DOWNING STREET

From the Private Secretary

18 July 1979

I have written to you, and to Private Secretaries to other Members of E, with the Prime Minister's comments on the enclosure to the Secretary of State for Energy's minute of 17 July about the Vale of Belvoir Inquiry.

In addition to the specific views I recorded in that letter, I should report to you that the Prime Minister commented that she would not be prepared to let that statement go forward in her own name. She also suggested that your Secretary of State might like to investigate the work being undertaken by Sir Frank Taylor's staff in the Technology Department at Taylor Woodrow.

M. A. PATTISON

W.J. Burroughs, Esq.,
Department of Energy.

CONFIDENTIAL

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Energy

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6/F 25.7.79

From the Private Secretary

18 July 1979

VALE OF BELVOIR INQUIRY

The Prime Minister has seen your Secretary of State's minute of 17 July, with which he enclosed the evidence he proposes to make available in writing to the Vale of Belvoir Inquiry on the Government's assessment of energy requirements.

The Prime Minister finds the statement inadequate. She has noted that it makes little reference to nuclear energy, nor to the predominant place this was given at Tokyo. She feels that the statement should draw attention to the reserves of energy in uranium supplies already available to us, and should make some assessment of the contribution that other sources of energy could make. She would also wish to see set out other possible alternative assessments of need and ways of meeting that need.

I would be grateful if the draft statement could now be reconsidered. As it has to be made available by 31 July, you will wish to ensure that a redraft reaches us by 25 July, to ensure that the Prime Minister can consider it before she departs for Lusaka.

I am sending copies of this letter to the Private Secretaries to Members of E Committee and to Martin Vile (Cabinet Office).

M. A. PATTISON

W.J. Burroughs, Esq.,
Department of Energy.

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PRIME MINISTER.

Agree this Govt evidence on energy requirements?

B'.

MAP 18/VII

I would not let this go forward in my name. It is very sketchy - makes little reference to nuclear or to the predominant place it was given at Tokyo or to the research of energy in various applications already available to us. Nor does it make much allowance of the contribution other sources of energy could make

PRIME MINISTER

VALE OF BELVOIR INQUIRY

The statement issued by the then Secretary of State for the Environment under Rule 6(1) of the Town and Country Planning (Inquiries Procedure) Rules 1974, when the NCB's application to mine coal in North East Leicestershire (the Vale of Belvoir) was called in, specified as a relevant background item at the forthcoming Public Inquiry "the Government's assessment of energy requirements". The Inspector, Mr Michael Mann QC, has, accordingly, asked my Department to give evidence under this head at the Inquiry. He has also asked that we make available in advance of the Inquiry (by 31 July) a written statement on the Government's assessment of energy requirements. His purpose is to assist the parties to the Inquiry, including the NCB who are set a deadline of 31 August for issuing their statement, in the preparation of their evidence.

I attach the text of a statement drafted to meet the Inspector's request which I would propose, subject to your agreement and that of colleagues, my Department sends to him.

I am copying this minute to the Members of E Committee and to Sir John Hunt.

DH

Secretary of State for Energy

17 July 1979

But I think I ought to consult with his Department/department in detail.

Nor does it take account possible alternative assessments and ways of meeting that need etc.

BELVOIR INQUIRY

This statement gives the Government's assessment of the energy outlook and of the future role for coal in the U.K.

Prospects

2. World fossil fuel resources are finite and reserves of oil are more limited than those of coal. It is now widely acknowledged that supplies of oil in the international market will become scarcer and more expensive during the rest of this century and beyond. This year's increase in the price of oil and the current shortages in oil supply have served to underline what had already been identified, following 1973, as the long term trend. It is also generally accepted that, if the transition away from oil is to be effected smoothly and the world's future fuel requirements are to be met, increasing reliance will need to be placed on energy conservation, coal and nuclear power and the development of new energy technologies. Substitutes for oil will be required initially in non-premium heating markets and, in the longer term, probably also in the premium transport and petrochemical markets. Following earlier agreements and commitments entered into within the EEC and the International Energy Agency, the world leaders at the Tokyo Summit in June pledged themselves to a common strategy for reducing oil consumption and hastening the development of other energy sources. As part of this strategy they undertook "to increase as far as possible coal use, production and trade, without damage to the environment", "to endeavour to substitute coal for oil in the industrial and electrical sectors" and "to maintain positive attitudes towards investment in coal projects". ? And nuclear ?

3. The UK cannot isolate itself from these wider developments, even during the period of self-sufficiency in the 1980s. On present prospects, by the 1990s indigenous oil production will be

in decline. Production of indigenous gas, which is a valuable resource and can only make a limited contribution to further displacing oil, may begin to decline a few years later. In the last decade of the century and beyond, the UK can expect to be importing an increasing proportion of its oil to meet essential needs, at a growing annual cost to the balance of payments. There will be substantial and growing requirements for our other indigenous source of energy, both for the contribution they can make towards international objectives of reduced dependence on oil and as replacements for our own North Sea oil and gas.

4. The Department of Energy's latest forecasts, a copy of which will be submitted in evidence, of energy supply and demand suggest that in the year 2000 energy demand could be in the range of 445 - 515 m.t.c.e. with indigenous supplies, including nuclear electricity, in the range 385 - 410 m.t.c.e. In making these forecasts, the Department has made a substantial allowance for savings arising from improvements in the efficiency with which fuel is used. Renewable energy sources are expected to make only a very small contribution by the end of the century though they might make an increasing contribution thereafter. There are also practical limits, because of the long lead times governing energy investment, to the contributions that can be relied upon, within a given timescale, from coal and nuclear power even with an early start on further investment and sustained programmes of expansion.

Role of Coal

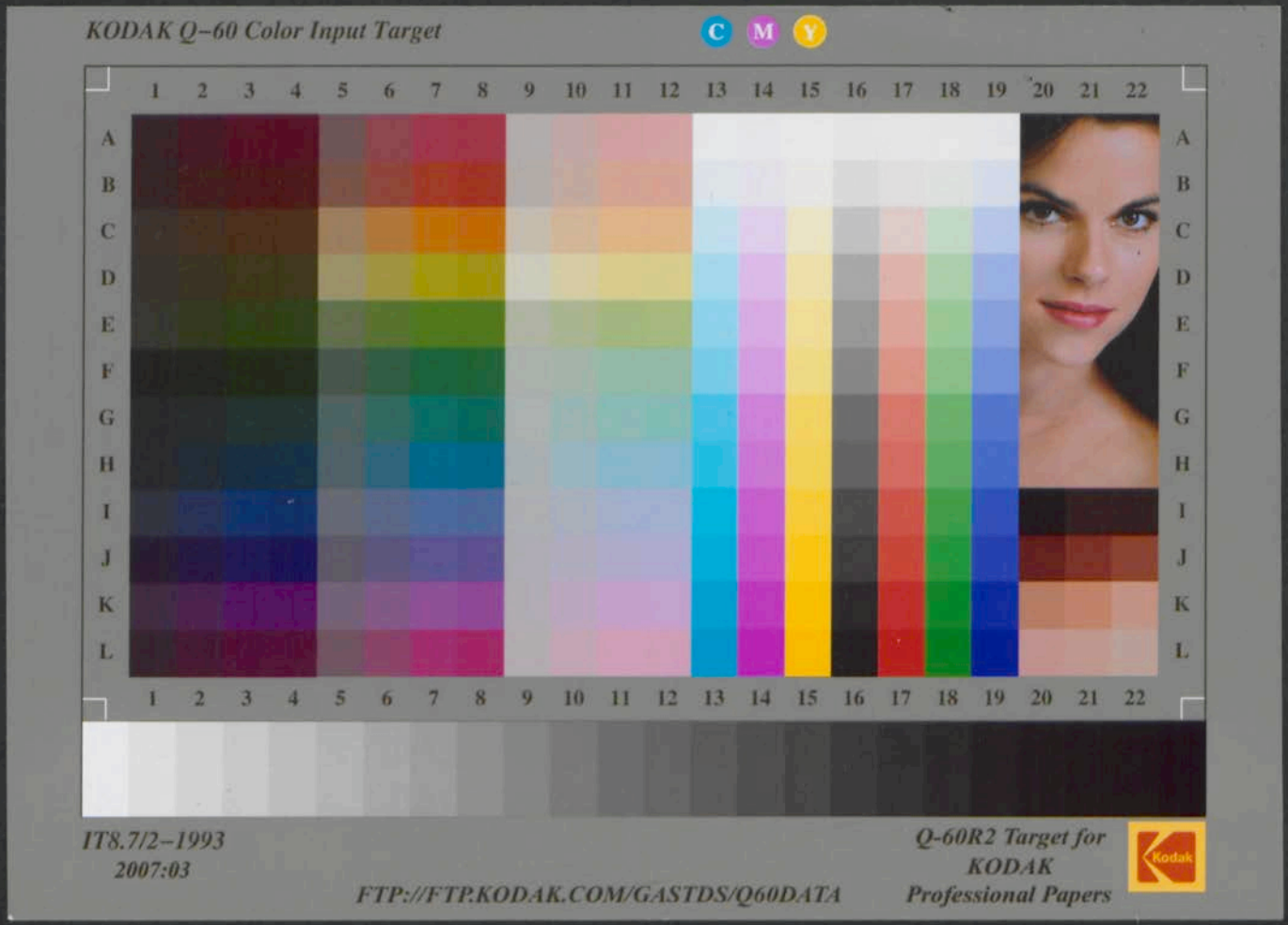
5. Against this background the Government foresees the need for a major future contribution from UK coal. Substantial contributions will also be needed from energy conservation and nuclear power. All three will be complementary, with coal playing a key role in the progressive replacement of oil. It is already substituting for oil to the maximum extent feasible in electricity generation. As oil prices rise new markets are expected to open for replacing oil and non-premium gas used in industry. With increasing pressure on indigenous gas supplies, a substitute source of gas will also be required, possibly before the end of the century, and coal can expect to play a growing part in this and other longer term markets

for synthetic fuel and chemicals. Demand for coal during the 1990s is likely to be at least at present levels and the chances are that the need to use and produce coal will be rapidly rising by the end of the century.

6. Plan for Coal is securing the industry's production capacity only into the 1980s. The progressive exhaustion of existing capacity means that major new development is needed just to maintain output at present levels. Without early and continuing investment in new capacity, colliery production in 1990 would be lower than it is today and would fall below 100 million tonnes before the end of the century. The coal industry's potential contribution to meeting the UK's longer term needs is very great. If the industry is to play its part in the general transition from oil to other fuels and in the post-North Sea energy economy of the UK, it is essential that the development of efficient, modern capacity should proceed to provide the basis for future expansion of output.

7. This summer has shown the consequences of a relatively minor shortage in supply of one fuel. As oil becomes scarcer, strong competition can be expected to build up in world energy markets for supplies of all available fuels, including internationally traded coal. Failure to develop our indigenous coal resources efficiently would add substantially to future balance of payments burdens and substantially reduce the UK's security of supply.

16th July 1979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