

Mr. Rajesh Nair
Chief Executive Officer
Tata Steel UK Ltd
Port Talbot
SA13 2NG

Paul Davies MS
Chair, Senedd Economy, Trade & Rural Affairs Committee
Welsh Parliament
Cardiff Bay
Cardiff
CF99 1NA

6 April 2024

Dear Mr Davies,

Thank you for your letter dated 19 March regarding Tata Steel UK's decision to cease operations of the Morfa Coke Ovens on 20 March. Apologies for the delay in responding to you.

The performance of the coke ovens had been deteriorating over many months, despite the best efforts by our workforce to maintain operational stability. Last month, the condition of the ovens worsened to a level making continued operation untenable. It was a sad moment and one which the business did not take lightly.

I have addressed the questions posed in your letter individually below:

The press reports around 200 workers will be affected. Is that number correct? Can you tell us whether the workforce employed in the coking ovens and adjoining By-Products plant will be redeployed to other roles, and whether there will be scope for them to be employed to decommission the coke ovens? Overall, 208 people have been affected by the closure of the Coke Ovens. All impacted staff have been either retained in the By-Products Plant, engaged in decommissioning or seconded into roles in Coke Sinter and Iron, Steel and Slab, Hot Rolled Products, Fire and Rescue, Energy or Stores.

We have now begun the voluntary redundancy aspiration process for Coke, Sinter and Iron, and will have further updates in due course.

Can you confirm that Tata will now import coke to support blast furnace 5, and if so how long do you anticipate importing coke for? How do you expect this development to impact on the operation of blast furnace 5? Tata Steel has been importing coke to underpin our operations for some time due to the operational challenges of maintaining our Coke Ovens. The business is working hard to secure sufficient coke to ensure continued operation of both blast furnaces to our proposed timelines and are confident that this will be achieved. To date, we have secured 280kt of imported coke during the first quarter of FY25 (Apr-June). For Q2 we have secured 50kt, with a further 70kt in progress.

Mr Rajesh Nair, Chief Executive Officer, Tata Steel UK

Port Talbot Works, Port Talbot SA13 2NG

T: +44 (0) 1639 71111. Email: rajesh.nair@tatasteel.com

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Can you confirm your expected timescales for ceasing operations at the By-Products plant which adjoins the coking ovens? The gas driven off the coal during the coking process is cooled, cleaned and stored at the By-products plant, ahead of being either reused or sold. Clean gas is recycled within the site as fuel for heat or electricity production. Given the nature of this process, and the value of the gasses stored, we expect the By-Products plant to continue operating for around three-months, following the closure of the Coke Ovens. The estimated closure is mid-June 2024, but this is subject to change.

The unions have said that while they were aware the coking ovens were in a state of disrepair, Tata had not indicated in recent discussions that they were at risk of imminent closure. Unite also claims that Tata had recently “told the unions that it hoped to increase their capacity in the near future”. How would you respond to these points? We have been in regular dialogue with the trade unions over several months about the critical operating condition of the Morfa Coke Ovens and provided frequent updates. Members of the UK Steel Committee visited the Coke Ovens on 6 March to see the condition of the asset for themselves and have been informed about the risk of premature closure. Tata Steel UK did not discuss increasing Coke Oven capacity with the UK Steel Committee as part of our ongoing dialogue.

The situation at the Morfa Coke Ovens was fast moving. The Ovens had been facing significant operational challenges for a long time and on Monday 18 March, following a drop down to 25 of 84 ovens, a decision had to be made. There was increasing concern regarding the safety of the assets which had to be a priority. As previously noted, this was not a decision that we took lightly – but was ultimately the right one.

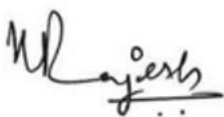
Tata has said the coke ovens will close due to concerns around their operational stability. Can you tell us what role health and safety considerations played in your decision to close the coking ovens, following these being raised by the unions at the Committee’s meeting on 29 February? The operational challenges at the Coke Ovens meant that health and safety concerns increased. By dropping to 25 ovens, we breached the gas main integrity and caused multiple by-product trips with increased safety risks. Tata Steel has been clear that health and safety is an absolute priority – and we took the decision to cease operations, following operational challenges, before health and safety became a significant risk.

How would you respond to the comments by the Unite union in our evidence session with them on 29 February that “it’s been the lack of investment, over the last 15 years, in the coke ovens that has led it to deteriorate to the situation it is”? Tata Steel has invested £4.7 billion in the UK business since 2007. This investment has been across our sites and assets. We did not take the decision to close the asset lightly, but ultimately the continued operation became untenable, not as a result of a lack of investment but due to the nature and age of the asset.

I hope the above has sufficiently answered your queries. If we can be of any further help to the Committee please do not hesitate to get back in touch.

We appreciate the ongoing engagement with yourself and Committee members.

Yours sincerely,



Rajesh Nair

Mr Rajesh Nair, Chief Executive Officer, Tata Steel UK

Port Talbot Works, Port Talbot SA13 2NG

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