



# Coal Industry Act 1987

## 1987 CHAPTER 3

### *Grants to the Corporation*

F12 .....

#### **Textual Amendments**

**F1** S. 2 repealed (31.10.1994) by 1994 c. 21, ss. 7, 67(8), 68(2)(e), **Sch. 11 Pt. II** (with ss. 40(7), 66); S.I. 1994/2553, **art. 2**

### **3 Grants for workforce redeployment and reduction, etc.**

- (1) The Secretary of State may make grants to the Corporation out of money provided by Parliament towards any eligible expenditure of the Corporation or any of their wholly-owned subsidiaries which is expenditure which relates to costs falling to be charged to any consolidated profit and loss account of the Corporation and any of their subsidiaries prepared in accordance with a direction given under section 8(1) of the Coal Industry Act 1971 in respect of a relevant financial year of the Corporation.
- (2) Expenditure is eligible expenditure for the purposes of this section—
  - (a) if it is of a kind specified in relation to the relevant financial year in question in an order made by the Secretary of State with the approval of the Treasury; and
  - (b) to the extent that it does not exceed the amount of the costs mentioned in subsection (1) above to which it relates or such larger amount as the Secretary of State and the Corporation may with the approval of the Treasury agree.
- (3) An order under subsection (2)(a) above—
  - (a) may only specify expenditure of a kind which falls within one or more of the descriptions of expenditure mentioned in Schedule 2 to this Act;
  - (b) shall restrict the amount which may be paid under this section by way of grant in respect of the relevant financial year in question in such manner as the Secretary of State considers appropriate; and

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- (c) may impose different such restrictions in relation to different kinds of expenditure.
- (4) In this section “relevant financial year” means a financial year—
- (a) which is the financial year ending in March 1988 or March 1989 or any financial year ending not later than [<sup>F2</sup>March 1996] which is specified for the purposes of this subsection by an order made by the Secretary of State with the approval of the Treasury; and
  - (b) in which the Corporation are redeploying and reducing the number of their employees with a view to—
    - (i) adjusting the future supply of coal or a particular kind of coal produced by the Corporation or any of their wholly-owned subsidiaries to meet the likely demand for it; or
    - (ii) reducing the Corporation’s costs in producing coal or a particular kind of coal.
- (5) Not more than one financial year may be specified in any order made under subsection (4)(a) above.
- (6) The aggregate of the grants made under subsection (1) above shall not exceed [<sup>F3</sup>£2,500 million], but the Secretary of State may, with the approval of the Treasury, by order increase or further increase that amount to an amount not exceeding [<sup>F3</sup>£3,000 million].
- (7) Grants may be made under subsection (1) above towards eligible expenditure of the Corporation in advance of the preparation of such an account as is mentioned in that subsection if it appears to the Secretary of State that the expenditure—
- (a) relates to any costs falling to be charged to that account; and
  - (b) does not exceed the amount which should properly be entered in that account in respect of those costs or such larger amount as he and the Corporation may with the approval of the Treasury agree.
- (8) The Secretary of State may, with the approval of the Treasury, give directions to the Corporation as to the manner in which the amount of any expenditure is to be determined for the purposes of this section.
- (9) References in this section and in Schedule 2 to this Act to expenditure include references to costs incurred by providing goods or services.
- (10) The power to make an order under this section shall be exercisable by statutory instrument and no such order shall be made unless a draft of the order has been laid before, and approved by a resolution of, the House of Commons.

#### Textual Amendments

- F2** Words in s. 3(4)(a) substituted (6.3.1992) by [Coal Industry Act 1992 \(c. 17\), s. 1\(2\)](#)
- F3** Words in s. 3(6) substituted (6.3.1992) by [Coal Industry Act 1992 \(c. 17\), s. 1\(3\)](#)

#### Modifications etc. (not altering text)

- C1** [S. 3](#) restricted by [S.I. 1990/1411](#) art. 5
- C2** [S. 3\(6\)](#) amended (28.5.1994) by [S.I. 1994/1422, art. 6](#)

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#### **4 Pit closure grants: cessation and transitional provisions.**

- (1) Section 6 of the <sup>M1</sup>Coal Industry Act 1977 (grants in respect of pit closures) shall cease to have effect, but without prejudice to the payment of any grant under that section in respect of relevant expenditure actually incurred during any period specified in subsection (3) of that section.
- (2) The Secretary of State may, with the approval of the Treasury, make grants to the Corporation out of money provided by Parliament towards any relevant expenditure of the Corporation in a financial year of the Corporation ending after March 1987 being expenditure which—
  - (a) relates to costs falling to be charged to a consolidated profit and loss account of the Corporation and any of their subsidiaries prepared in respect of any period specified as mentioned in subsection (1) above in accordance with a direction given under section 8(1) of the <sup>M2</sup>Coal Industry Act 1971; or
  - (b) relates to obligations undertaken by the Corporation in any such period and has been approved by the Secretary of State and the Treasury for the purpose of this paragraph;but grants may only be made under this subsection towards expenditure within paragraph (a) above to the extent that the expenditure does not exceed the amount of the costs to which it relates or such larger amount as the Secretary of State and the Corporation may with the approval of the Treasury agree.
- (3) Grants under subsection (2) above towards expenditure in any financial year shall not exceed one-half of the expenditure in that year which would apart from this subsection be eligible for such grants.
- (4) In this section “relevant expenditure” has the same meaning as in the said section 6.

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#### **Marginal Citations**

- M1** 1977 c.39.  
**M2** 1971 c.16.

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