



Coal Industry Act 1980

1980 CHAPTER 50

An Act to increase the limit on the borrowing powers of the National Coal Board and otherwise to amend the law with respect to loans to the Board; to make new provision for grants by the Secretary of State to the Board and to provide a new limit for those grants and for grants to the Board and other persons under certain existing powers; to amend the Coal Industry Act 1977; and to increase the limit on grants by the Secretary of State to the Board under section 1 of the Coal Industry Act 1975. [8th August 1980]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Borrowing powers of National Coal Board

- (1) In section 1(3) of the Coal Industry Act 1965 (limit on borrowing by the Board and their wholly owned subsidiaries), for the words from " £1,800 million " to the end there shall be substituted the words " £3,400 million, but the Secretary of State may with the approval of the Treasury by order made by statutory instrument increase that limit up to £4,200 million ".
- (2) In section 1(4) of that Act (limit on temporary borrowing by the Board) for the words from " and " (immediately preceding paragraph (b)) to the end of the subsection there shall be substituted the words " with the approval of the Treasury ".
- (3) For section 1(8) of that Act there shall be substituted the following subsection—

“(8) An order shall not be made under subsection (3) of this section unless a draft of the order has been laid before the Commons House of Parliament and approved by a resolution of that House.”
- (4) Amendments corresponding to those made by the preceding provisions of this section shall be made in Part I of Schedule 1 to the Act of 1977 (which sets out section 1 of the Coal Industry Act 1965 as amended by earlier enactments and by the Act of 1977); and accordingly the words " and section 1 of the Coal Industry Act 1980 " shall be

inserted after the words " this Act "where those words first occur in Part II of that Schedule (which lists the amending enactments).

2 Loans to National Coal Board out of Votes

- (1) Sums required by the Secretary of State for making loans to the Board under section 1(6) of the Coal Industry Act 1965 may be defrayed out of money provided by Parliament (as well as out of the National Loans Fund as provided by section 34(1) of the Coal Industry Nationalisation Act 1946).
- (2) Section 28 of the Coal Industry Nationalisation Act 1946 (payments by the Board to the Secretary of State) shall not apply in relation to sums lent to the Board by virtue of this section out of money provided by Parliament; but the Board shall make to the Secretary of State, at such times and in such manner as he may direct—
 - (a) payments of such amounts as he may direct in or towards repayment of any sums so lent; and
 - (b) if the Secretary of State so directs as respects any loan made by virtue of this section out of money provided by Parliament, or as respects any period during which any such loan remains outstanding, payments of interest on the sums lent at such rate as he may direct;and the references in sections 1(4)(c) and 30 of that Act to the obligations of the Board under section 28 shall include their obligations under this section.
- (3) Payment by the Board of any interest in respect of which a direction has been given under subsection (2)(b) above may, with the consent of the Treasury, be deferred, and any amounts so deferred shall—
 - (a) for the purposes of that subsection be taken to be sums lent to the Board out of money provided by Parliament; and
 - (b) for the purposes of section 1(3) of the Coal Industry Act 1965 be taken to be sums borrowed by the Board.
- (4) The approval of the Treasury shall be required for any direction given by the Secretary of State for the purposes of subsection (2) above.
- (5) Sums received by the Secretary of State under this section shall be paid into the Consolidated Fund.

3 Deficit grants to National Coal Board

- (1) The Secretary of State may, with the approval of the Treasury, make grants to the Board out of money provided by Parliament with a view to reducing or eliminating any group deficit for a financial year of the Board falling within the relevant period defined in section 4 of this Act.
- (2) In subsection (1) above " group deficit" means, in relation to a financial year of the Board, any deficit shown in any consolidated profit and loss account of the Board and any of their subsidiaries prepared by the Board in accordance with a direction given by the Secretary of State in respect of that year under section 8(1) of the Coal Industry Act 1971.
- (3) Grants under this section may be made subject to such conditions as the Secretary of State with the approval of the Treasury may determine.
- (4) Grants under this section are subject to the limit in section 4 of this Act.

4 New overall limit for grants under section 3 and certain other grants

(1) The following provisions of this section shall have effect in substitution for section 5 of the Act of 1977 (which imposes a limit on grants under sections 2 and 3 of that Act and section 8 of the Coal Industry Act 1973); and accordingly—

- (a) for the words " the relevant period defined in section 5 of this Act" in sections 2(4) and 3(8) of that Act there shall be substituted the words " the relevant period defined in section 4 of the Coal Industry Act 1980 "; and
- (b) for section 8(4) of the Coal Industry Act 1973 (as substituted by section 4 of the Act of 1977) there shall be substituted the following subsection—

“(4) The power to make grants under this section shall be exercisable as respects coking coal supplied during the relevant period defined in section 4 of the Coal Industry Act 1980, subject to the limit in that section.”.

(2) In section 3 of this Act and this section, in section 8 of the Coal Industry Act 1973 and in sections 2 and 3 of the Act of 1977 " the relevant period " means the financial years of the Board ending in March 1980, 1981, 1982 and 1983.

(3) Subject to subsection (4) below, the aggregate of the grants made under—

- (a) section 3 of this Act;
- (b) section 8 of the Coal Industry Act 1973 (excluding any grants as respects coking coal supplied during a financial year of the Board not within the relevant period); and
- (c) sections 2 and 3 of the Act of 1977 (excluding any grants under section 2 for or by reference to any such year and any grants under section 3 towards costs incurred during any such year);

shall not exceed £525 million.

(4) The Secretary of State may with the approval of the Treasury, on one or more occasions, by order made by statutory instrument increase or further increase the limit under subsection (3) above, subject to a maximum of £590 million.

No order shall be made under this subsection unless a draft of the order has been approved by resolution of the Commons House of Parliament.

5 Repeal of power to make regional grants

(1) Section 8 of the Act of 1977 (which gives the Secretary of State power to make grants for the purpose of assisting or enabling the Board to pay due regard to the needs of certain areas when planning and carrying out colliery activities) shall cease to have effect.

(2) Any grants made under section 8 during the relevant period defined in section 4 of this Act shall be taken into account for the purposes of the limit in section 4.

6 Grants in connection with pit closures

(1) In section 6 of the Act of 1977 (grants in connection with pit closures)—

- (a) in subsection (3) for the words from " and 1981 " to the end there shall be substituted the words " 1981, 1982, 1983 and 1984 "; and

- (b) in subsection (5) for paragraphs (a) and (b) there shall be substituted the words " £170 million ".
- (2) In paragraph 1(1) of Schedule 2 to that Act (which defines relevant expenditure for the purposes of grants under section 6)—
 - (a) for head (iv) there shall be substituted the following head—
 - “(iv) payments, in connection with their removal and resettlement (with or without their dependants), to persons in the employment of the Board whose place of employment is changed and to persons who, after leaving the Board's employment, resume employment with the Board at a new place of employment, being persons who in either case change their place of residence in consequence of the change in their place of employment”;
 - (b) for head (vii) there shall be substituted the following heads—
 - “(vii) the temporary supplementation (whether by a lump sum or by periodical payments) of the earnings of persons employed by the Board whose work or place of employment is changed ;
 - (viia) payments to persons in the employment of the Board whose place of employment is changed and to persons who, after leaving the Board's employment, resume employment with the Board at a new place of employment, by reference in either case to the duration of their employment at the new place of employment;”and
 - (c) after head (viii) there shall be added the following head—
 - “(ix) payments made in accordance with any voluntary early retirement scheme maintained by the Board to past employees of the Board who retired before they reached normal retirement age and who immediately before their retirement were employed at a mine which the Board then proposed to close or at a mine to which other employees of the Board, then working at such a mine, were to be transferred.”.

7 **Payments to redundant workers**

- (1) A scheme made by the Secretary of State under section 7 of the Act of 1977 (payments to redundant workers) may extend to persons made redundant by or in connection with the closure of coking plants or the reduction in the number of persons employed at such plants; and accordingly section 7(1) shall be amended as follows—
 - (a) after the words " coal mines " in the first place where they occur there shall be inserted the words " or coking plants "; and
 - (b) for the words " and (b)" there shall be substituted the words—
 - “or
 - (b) are employed by any person carrying on in Great Britain a business which consists wholly or mainly of the production of coke and are so employed either at a coking plant or at

any place of a prescribed class used for providing services or facilities ancillary to the operation of one or more coking plants; and who in either case”.

(2) The qualifying period for payments under any such scheme shall be extended to the end of March 1984, and accordingly, for the words in section 7(1) "the final date as defined in subsection (3) below" there shall be substituted the words " 1st April 1984 ", and section 7(3) shall be omitted.

(3) For subsections (5) and (6) of that section there shall be substituted the following subsection—

“(5) The aggregate amount of the payments made by the Secretary of State under this section during the financial years of the Board ending in March 1979, 1980, 1981, 1982, 1983 and 1984 shall not exceed £220 million.”

8 Grants to National Coal Board to meet expenditure under pneumoconiosis compensation scheme

In section 1(2) of the Coal Industry Act 1975 (which imposes a limit of £100 million on grants made by the Secretary of State under that section towards expenditure of the Board under or for the purposes of the industry's pneumoconiosis compensation scheme) for the words " £100 million " there shall be substituted the words " £107 million ".

9 Administrative expenses

Any administrative expenses incurred by the Secretary of State for the purposes of this Act shall be paid out of money provided by Parliament.

10 Interpretation

In this Act—

" the Act of 1977 " means the Coal Industry Act 1977 ; and
" the Board " means the National Coal Board.

11 Citation, repeals and extent

(1) This Act may be cited as the Coal Industry Act 1980, and the Coal Industry Acts 1946 to 1977 and this Act may be cited together as the Coal Industry Acts 1946 to 1980.

(2) The following provisions of the Act of 1977 are hereby repealed—
section 4
section 5
section 7(3)
section 8.

(3) This Act does not extend to Northern Ireland.