



# Coal Industry Act 1994

## 1994 CHAPTER 21

### PART I

#### RE-ORGANISATION OF COAL INDUSTRY

##### *Financial arrangements in connection with restructuring*

#### 17 Grant-making powers.

(1) The Secretary of State shall not—

- (a) include provision in any restructuring scheme for the transfer to any person of a right to a grant or other payment specified in subsection (2) below; or
- (b) make any such grant or payment at any time after such date as the Secretary of State may by order made by statutory instrument appoint for the purposes of this paragraph;

but different dates may be appointed for the purposes of paragraph (b) above in relation to different grants and payments.

(2) The grants and payments mentioned in subsection (1) above are—

- (a) payments under section 4 of the <sup>M1</sup>Coal Industry Act 1967 or section 3 of the <sup>M2</sup>Coal Industry Act 1982 (payments providing re-imburement of contributions to early retirement benefits etc.);
- (b) payments under section 2 of the <sup>M3</sup>National Coal Board (Finance) Act 1976 (payments towards mineworkers' pension scheme deficiency);
- (c) grants under—
  - (i) section 6 of the <sup>M4</sup>Coal Industry Act 1977 (pit closure grants for certain financial years); or
  - (ii) section 4 of the <sup>M5</sup>Coal Industry Act 1987 (grants in respect of expenditure referable to costs incurred in those financial years or in respect of other approved expenditure);
- (d) such payments under a scheme made in pursuance of section 7 of that Act of 1977 (payments to redundant workers or in respect of arrangements relating

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- to concessionary coal) as may be made otherwise than to persons to whom the scheme applies in accordance with subsection (1) of that section;
- (e) grants under section 3 of that Act of 1987 (grants for workforce redeployment and reduction etc.);
  - (f) grants under section 1 of the <sup>M6</sup>Coal Industry Act 1990 (deficiency grants).

#### Marginal Citations

- M1** 1967 c. 91.
- M2** 1982 c. 15.
- M3** 1976 c. 1.
- M4** 1977 c. 39.
- M5** 1987 c. 3.
- M6** 1990 c. 3.

## 18 Residual payments grant.

- (1) The Secretary of State may, with the approval of the Treasury, make payments by way of grant (“residual payments grant”) to—
  - (a) the Corporation, or
  - (b) any successor company which is for the time being wholly owned by the Crown,
 with a view to reducing or eliminating any amount falling to be shown in any accounts of the Corporation or that company as a deficit on its cash flow for any accounting period.
- (2) The payment of residual payments grant may be made by advancing sums during any accounting period in anticipation of what it appears will be the deficit on cash flow for that period.
- (3) Residual payments grant shall not be paid to any person in respect of any deficit which appears to the Secretary of State to be attributable to any failure of the Corporation to be paid, or to apply for, any amount which could have been paid, or would have been payable, to the Corporation by way of any payment or grant mentioned in subsection (2) of section 17 above.
- (4) Where payments by way of residual payments grant have been made to the Corporation or any successor company and it appears to the Secretary of State that, after those payments have been taken into account in relation to the accounting period in respect of which they are made, there is a surplus on its cash flow for that accounting period or for any subsequent accounting period, an amount equal to whichever is the smaller of—
  - (a) so much of the aggregate amount of payments made by way of grant under this section to the Corporation or, as the case may be, that company as has not already been repaid under this subsection, and
  - (b) the amount of the surplus,
 shall be paid by the Corporation or, as the case may be, that company to the Secretary of State.
- (5) Any sums falling to be paid to the Secretary of State under subsection (4) above shall bear interest at such rate as the Secretary of State may, with the consent of the Treasury, determine.

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- (6) No amount shall fall to be paid to the Secretary of State under subsection (4) or (5) above in respect of any surplus on the cash flow of any successor company for any accounting period ending after the company has ceased to be wholly owned by the Crown; but a successor company which ceases to be wholly owned by the Crown shall be deemed to be required to produce accounts for the purposes of this section for the period between the end of its previous accounting period and the time when it ceases to be wholly owned by the Crown.
- (7) Any sums required by the Secretary of State for making any grant under this section shall be paid out of money provided by Parliament; and any sums received by the Secretary of State by virtue of subsections (4) and (5) above shall be paid into the Consolidated Fund.
- (8) Subject to subsection (6) above, in this section “accounting period”, in relation to the Corporation or any successor company, means any period for which the Corporation or that company is required by or under any enactment to produce accounts.

## **19 Concessionary coal.**

- (1) The Secretary of State may, out of money provided by Parliament, make such payments to such persons as he may think fit for the purpose of securing any of the following, that is to say—
  - (a) that supplies of concessionary coal are made on and after the restructuring date to persons who would have received such supplies from the Corporation under relevant arrangements if those arrangements had not been affected by steps taken in connection with the restructuring of the coal industry;
  - (b) that provision is made for sums to be paid in lieu of concessionary coal to persons such as are mentioned in paragraph (a) above; and
  - (c) that provision is made for sums to be so paid to persons who (but for any steps so taken) would, under relevant arrangements, have received payments in lieu of concessionary coal.
- (2) The consent of the Treasury shall be required for the making of payments under this section.
- (3) In this section—
  - “concessionary coal” means coal or other solid fuel supplied free of charge or at reduced prices; and
  - “relevant arrangements” means any arrangements which—
    - (a) whether or not they are legally enforceable, are in operation immediately before the restructuring date; and
    - (b) provide for the supply of concessionary coal or for the making of payments in lieu of concessionary coal.

## **20 Extinguishment of loans to the Corporation.**

- (1) Where—
  - (a) any sum has been lent (whether before or after the passing of this Act) to the Corporation out of money provided by Parliament, or
  - (b) any sum is for the time being to be taken as having been so lent,

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the Secretary of State may by order extinguish any present or contingent liabilities of the Corporation to make repayments of capital or payments of interest in respect of that sum.

- (2) Subject to the following provisions of this section, section 400(1) of the <sup>M7</sup>Income and Corporation Taxes Act 1988 (restriction of tax losses in case of any write-off of government investment) shall not have effect in relation to any extinguishment of liabilities by an order under subsection (1) above.
- (3) Subsection (6) of section 400 of that Act of 1988 shall apply in relation to any such extinguishment as is mentioned in subsection (2) above as if the reference to the body in question were a reference to the Corporation.
- (4) The consent of the Treasury shall be required for the making of an order under this section.
- (5) The power to make an order under subsection (1) above shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.

#### Marginal Citations

M7 1988 c. 1.

## 21 Taxation effects of restructuring.

Schedule 4 to this Act (which makes provision about taxation in relation to provisions contained in, or made in connection with, a restructuring scheme) shall have effect.

## 22 Pensions and miners' welfare organisations.

- (1) Schedule 5 to this Act (which makes provision, in connection with the restructuring of the Corporation's undertaking, in relation to the pensions paid to or in respect of its present and former employees and other persons) shall have effect.
- (2) The <sup>M8</sup>Miners' Welfare Act 1952 shall cease to have effect.
- (3) Subsection (3) of section 12 of that Act of 1952 (transfer of the functions under that Act of the Coal Industry Social Welfare Organisation) shall have effect, pending its ceasing to have effect under subsection (2) above, as if the reference to that Organisation's functions under that Act were a reference to all its functions, whether or not under that Act.

#### Commencement Information

II S. 22(1)(3) in force at 31.10.1994 by S.I. 1994/2552, art. 2, Sch. 1

#### Marginal Citations

M8 1952 c. 23.

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